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ABSTRACT

This report describes and assesses the actual Job Training Partnership Act (JTPA) program that is implemented. It covers the initial operating period, the nine months from October 1, 1983, through June 30, 1984, of Title II-A, Training Services for the Disadvantaged. Chapter I is an introduction. Chapter II discusses the basic configuration of the JTPA program: its structure, training activities, services, contractors, participants, achievements, and concerns. Chapter III examines the new relationships established between public and private sectors at both the local and state levels. Chapter IV discusses policies and practices at the state and local levels relating to the legislation's mandate for more effective coordination between JTPA and other public agencies with an interest in employment and training services. It provides an assessment of the coordination achieved with several major public institutions--education, employment service, economic development, and welfare--and describes the issues facing further attempts to satisfy this aspect of the legislation. Chapter V examines the roles and activities undertaken by the federal and state governments as the primary overseers of JTPA programming and the degree to which the oversight role they played influenced local programming choices. Chapter VI summarizes the report. Instruments and a survey report are appended. (YLB)

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An Independent Sector Assessment Of The Job Training Partnership Act

Phase II: Initial Implementation

by

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Given current concepts of federalism, local service delivery areas (SDAs) and states are the only source of accurate information concerning the nature of JTPA program activities. We are, therefore, most appreciative of the excellent cooperation we received from the communities and states that participated in this study. Not only were key executives and staff generous with their time; they were also forthcoming in responding to our various requests for quantitative data. The information they supplied and the judgments and perceptions they provided form the basis for our assessment.

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William J. Grinker
Project Director
January, 1985

Executive Summary

This is the second report in a two-year study of Title II-A, Training Services for the Disadvantaged, of the Job Training Partnership Act (JTPA). The first report covered the initial plans and operational startup of JTPA. This report covers JTPA's initial operating period, the nine months from October 1, 1983 through June 30, 1984. Information for this report was collected in June and July of 1984, utilizing field research in 25 service delivery areas (SDAs) and 15 states, and telephone surveys in an additional 32 SDAs.

The study is focused on describing and assessing the actual JTPA program that is implemented--the types of training and other services that are offered, and the characteristics of those individuals who participate in JTPA. Understanding JTPA as it actually operates is critical to assessing its role in federal social policy, and its usefulness in dealing with serious social problems.

The roles and relationships of public, private and non-profit institutions in JTPA constitute another study focus. JTPA calls for significant changes in federal, state and local government roles from prior employment and training legislation. The legislation increases substantially the role of the private, for-profit sector. How these changes work may be instructive for both employment and training efforts, and other national policy initiatives.

The third major topic is the extent to which state and local policy makers coordinate JTPA with the policies and activities of other public agencies with an interest in training activities, such as welfare, economic development and public schools. Improving coordination among public agencies is a major objective of the JTPA legislation. JTPA's achievement in this area should provide insight into the workings, benefits and limits of this often-expressed but usually elusive goal.

* * *

The first nine-month operating period of JTPA is described in the legislation as a transitional period. It was set up as a period for the JTPA system to implement the numerous changes that the act mandates, each local service delivery area (SDA) and state JTPA office knowing

that it could review and adjust for deficiencies in that transitional period before the first full-year operating period began on July 1, 1984--when all the act's timetables, performance standards, mandates and penalties would commence in full force and effect.

The federal government (its role significantly reduced from CETA) and the states (their roles greatly expanded) left the early choices regarding JTPA program priorities and implementation largely to local decision-makers. The federal government played a minimal role in both administrative and substantive decision-making, so minimal that many states and local JTPA offices felt there was no federal presence in JTPA. The states continued their emphasis on establishing administrative, fiscal and information reporting systems and procedures, and did not, with few exceptions, utilize to any significant degree the leverage the act gave them through its various setasides to influence local decisions on who Title II-A should serve, or the kind of services it should offer.

Given the very modest influence on local program decision-making by the federal and state governments, and the transitional nature of the initial operating period as established by the act, a substantial diversity of program strategies and performance might be expected among local programs. In fact, however, the pattern of local program priorities, services, participants and performance was more one of similarity than diversity during the initial nine months. These similarities came largely as a result of the criteria utilized by the sample SDAs in selecting their initial JTPA programs: 80 percent of the sample SDAs said that the potential for high placement rates and low costs were the critical factors in putting together the initial package of JTPA training programs and services. Only a quarter of the SDAs judged that the special needs of eligible individuals (for literacy, work experience or other support services), or the legislation's mandate to serve youth and dropouts, were important factors in selecting initial training activities and service deliverers. As a result, the initial configuration of JTPA activities at the average SDA was even more weighted towards basic activities like classroom and on-the-job training than the act required (76 percent of sample site funds expended on these activities compared to the act's 70 percent requirement). The sample SDAs expended a very modest level of funds on support services like literacy training, day care and transportation (nine percent compared to the 15 percent standard in the act); offered very

few of the innovative and exemplary programs recommended in the act (less than two percent of training funds expended on these programs); and gave little attention to designing or funding programs targeted at groups with special problems or support service needs (such as teenage parents and school dropouts).

The results of the first nine months of operation reflected these priorities. Placement rates, for example, were on average much higher than anticipated or as set forth in federal standards: 70 percent versus a 58 percent standard for adults, and 64 percent for youth versus a federal standard of 41 percent. Costs were much lower than anticipated: for adults, cost per placement was $3,324, versus the federal standard of $5,900; for youth, cost per positive termination was $3,145, compared to the federal standard of $4,500. Though the official placement rates were based on only one day on the job, they were widely viewed within the JTPA system as evidence of JTPA's success.

Other aspects of initial performance were not so encouraging. JTPA's targeting requirements were, with one exception, not satisfied. Officials at 80 percent of the SDAs said they made no concerted effort to define or serve those "most in need" and "able to benefit from" JTPA--one of the act's targeting requirements--and did not believe that either the legislation's provisions or its level of funding were conducive to dealing with those eligibles who most needed assistance in securing jobs. The lack of commitment and effort to this aspect of the act resulted in, according to three-fourths of the SDAs, substantial screening by service deliverers to enroll those eligibles who were most job ready. The extensive screening, plus the modest level of support and remediation services, and the unexpectedly brief duration of JTPA training--11 weeks for adults and 12.2 for youth--coupled with the high placement rates, did cause concern that many participants would have gotten jobs without the benefit of JTPA.

The act's requirement that 40 percent of an SDA's JTPA funds be spent on youth was also unmet; in many SDAs youth spending fell seriously short of the legislative mandate. Less than a third of the sample sites spent even 90 percent of their youth allocation. Those that did typically had large in-school programs offering job readiness and placement services to high school seniors who did not intend to pursue post-high school education. Forty-three percent of the youth who participated in JTPA had

high school diplomas or higher education; 31 percent were in school; and 26 percent were dropouts. Many SDA officials felt the act's severe restrictions on work experience and denial of training stipends made it very difficult to attract youth, particularly dropouts.

The act's mandate that an "equitable" share of JTPA funds be spent on eligibles who had not completed high school, whatever their age, also went unmet in two-thirds of the sample SDAs. Most SDAs made no special attempts to attract dropouts, or to design or fund programs that would meet that group's deficiencies in the job market. Only 60 percent of the sites had remedial education services, and even those were modestly funded (six percent of training expenditures) and relatively brief (on average, 18 weeks).

The SDA response to these targeting shortfalls during the transition period was, as reflected in their plans for the operational year beginning July 1, 1984, primarily a management strategy: most decided to set clearer goals for service deliverers regarding youth and dropouts, and to monitor contractor activity more closely. The typical reaction did not include altering program content, structure or service deliverers. The sample SDAs, with very few exceptions, indicated no intention to define or target more resources on those "most in need." As indicated earlier, they did not judge the statute's provisions or level of funding suitable or adequate to construct a program for such individuals.

In contrast to their performance with youth, dropouts, and high need individuals, the sites on average exceeded their goals for enrolling welfare recipients. Welfare recipients were the one group that both private industry councils and local governments agreed should be served in large numbers, in hopes of a quick return in terms of reduced welfare dependency. The SDAs for the most part developed good linkages with local welfare offices, ensuring a steady flow of applicants. In addition, welfare recipients had a source of income and support services while they were in JTPA. The above factors may offer some guidance as to the ingredients necessary to insure successful targeting under JTPA.

The SDAs were for the most part successful in implementing the act's mandate that local JTPA governance be carried out jointly by local government and a private industry council (PIC) dominated by local business represen-

tatives. Except for a few locations, usually very large, old and non-expanding urban areas, or sparsely populated rural areas, the PICs were active in JTPA policy-making. When SDA directors were asked what was the most positive aspect of JTPA compared to CETA, the aspect most frequently mentioned (by 34 percent of the sample sites) was increased private sector involvement.

The greatest interest of the PICs--in particular their business members--was in insuring that the JTPA program operated at low cost and with high placement rates. They were usually against putting resources into support services, and were not interested in designing programs for particular groups.°

There was little evidence in the first operational period that those SDAs with more active PICs were more successful in involving the larger local business community in JTPA. Only two of the 25 field sites said that PIC involvement led to more primary labor market jobs for JTPA graduates than had existed under CETA. The average wage of JTPA graduates offered some support for this view: at $4.61 per hour, it met neither the federal standard of $4.90, nor local program expectations.

It was unclear whether the high level of PIC interest and involvement would continue. There were substantial changes in PIC membership at half the sample sites, and changes in PIC leadership at one third of the sites, during the transition period. PIC members at many of the sites expressed concern over the increasing number of state administrative and reporting requirements, and at the amount of time they were spending on JTPA. They were, however, very pleased at the early placement and cost results.

Fulfillment of the statute's requirements of SDA coordination with other public agencies interested in employment and training was uneven. Coordination with agencies which brought quick and concrete results, such as welfare and WIN, were generally successful. There continued to be great interest in coordination with local economic development efforts, but most SDAs saw this as a long-term process, and did not expect quick results. There was in fact little evidence of such results during the transition period.

Coordination with the Employment Service showed a modest increase over that which existed under CETA, pri-

marily in terms of establishing joint service boundaries, or colocating offices. Few sites achieved substantive or programmatic coordination beyond that which had previously existed.

Coordination with the public school system increased during the transitional period over what was set forth in the initial plans, primarily to increase the number of youth participating in JTPA. However, almost half of the SDAs still had no linkages with the public school system at the end of the transition period. Coordination with other public agencies--rehabilitation, vocational education and others--was scattered across the sites and usually modest in scope.

Local JTPA coordination with other public agencies was more evident where there was strong state pressure, or active state-level coordination among public agencies. However, only a third of the fifteen field study states exhibited those characteristics. All the states established coordination requirements for their SDAs, but these could usually be met by local written statements of intent to coordinate. Several states noted that they did not have the staff resources to monitor the development and implementation of coordination agreements among local agencies at all the SDAs. There was little evidence, in terms of policies or activities, that the degree of coordination, at either the state or local levels, would change substantially during the first full program year.

An area of concern which developed during the transitional period was the relationship between states and SDAs. A majority of the sample SDAs said that state administrative requirements were more time-consuming than were the federal requirements under CETA. The state response generally was that their requirements were necessary to prepare properly for federal audits, and to provide useful analysis of SDA operations and performance. The states, with few exceptions, felt that in the area of operational and performance reporting a more substantial federal role would have been useful, in order to ensure uniform national data for comparison and analysis.

Whether further operating experience will improve local/state relationships, and perhaps increase the federal role, will be important issues for follow-up.

* * *

The initial operational period produced a mixture of accomplishments and shortfalls. As noted earlier, what is notable is the similarity across the sample SDAs in program structure and performance. These basic similarities generally persist across geographic, demographic, economic and local leadership differences.

The similarities appear to be a result of several factors. The great majority of SDAs said that CETA had not had a positive reputation in their communities. Whether that reputation was deserved or not, SDA leaders were determined that JTPA would have a positive image. One part of CETA's image that was heavily publicized was that it was "too costly, and ineffective," to quote one national magazine. Thus the SDAs' focus on cost and placement measures was in part a response to this aspect of the CETA image.

A second factor, connected to the first, was that media, political and professional discussion of JTPA tended to focus on only a few of the numerous mandates and changes the act contained: private sector involvement, performance standards, and potential to reduce welfare rolls through JTPA. It was in these areas that the SDAs performed well.

A third factor was the level of JTPA funding. Many SDAs judged that the level of JTPA funding--which could provide training services to less than five percent of individuals eligible for JTPA--was too small to afford much room for innovative, exemplary or multicomponent programs aimed at high-need groups. Those programs cost more to develop, to operate, and usually, even when successful, report relatively high cost per placement. Funding such programs at any substantial level would significantly reduce the total number of participants that JTPA could provide training for. Officials in many jurisdictions were concerned that any actions which reduced the total number of participants would promote the judgement that JTPA was insignificant, and perhaps not worth keeping, if further cuts in federal spending were contemplated.

These explanations do not undercut or minimize the significance of JTPA's early successes; neither, however, do they erase the importance of the other mandates and goals of the act which were not satisfied during the first operational period. The adequacy of the SDA response to these shortfalls, the ability to maintain early successes, and the role of the federal and state governments in ensuring that all of JTPA's provisions are given serious attention and efforts, are critical issues that the Independent Sector Study will examine for the next report.

I

Introduction

This is the second report in a two-year study of the implementation of Title II-A of the federal Job Training Partnership Act (JTPA) of 1982. The Act has five major sections: Title I, which establishes JTPA's purpose, institutional framework and programmatic rules; Title II, regarding training services for the economically disadvantaged* (II-A) and the summer youth program (II-B); Title III, establishing assistance for dislocated workers; Title IV, regarding federally administered programs (Native Americans, migrant workers, veterans, Job Corps and other special activities); and Title V, which contains miscellaneous provisions, including amendments to the Wagner-Peyser Act. This report focuses on the implementation of Title II-A during JTPA's initial nine-month operating period, October 1983 through June 1984. Title II-A accounts for approximately $1.8 billion, or 50 percent of the initial $3.6 billion annual appropriation for the Job Training Partnership Act.

The first study report, published in March 1984, dealt with initial JTPA program plans and startup operations in October and November 1983. The local Service Delivery Areas (SDAs) and states had at that time completed the twelve month planning period allowed under JTPA. They had established the institutional framework and made most of the policy decisions that would guide their initial approach to implementing JTPA. That report noted the following features of JTPA as it commenced operations in October 1984:

o The states were given extensive administrative and oversight authority over local SDA operations under JTPA, in contrast to their more limited role under previous federal employment and training legislation. At JTPA's

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* Includes (a) those with income less than the Office of Management and Budget's poverty level or 70% of the lower living standard income level, whichever is higher; (b) federal, state or local welfare recipients; (c) Food Stamp recipients; (d) foster children for whom State or local payments are made; and (e) handicapped individuals who are ecomically disadvantaged but whose families are not, as permitted by the Secretary of Labor.

outset the states were concentrating most of their early efforts on procedural and administrative issues, such as fiscal and management information reporting systems. The broad discretion which JTPA delegated to local SDA decision makers to set substantive policy accounted to some degree for the administrative orientation of the states. However, even where the federal legislation gave states the opportunity to influence local program policy--primarily through the use of set-asides which could be targeted to specific groups of eligibles or program activities, and secondarily through the statutory mandate to ensure cooperation among JTPA and other public agencies such as welfare, economic development, and the employment service--most states had not yet begun to initiate policies designed to take advantage of those opportunities. State officials indicated the likelihood of greater state assertiveness on substantive issues in the future.

This second report documents the extent to which the states did take a more active role in substantive issues during JTPA's initial operation period, and the effect of those efforts on local programming.

o The JTPA statute altered the previous pattern of decision making in which the local government had been responsible for deciding and directing the use of federal employment and training dollars. The statute now required local government and the Private Industry Council (PIC), a volunteer group selected by the local elected official which by statute must be in the majority composed of local business representatives, to become partners in those decisions, in an arrangement to be negotiated locally. At most of the sample SDAs, early patterns in establishing those arrangements reflected a minimum of major problems and substantial PIC involvement in the major aspects of local JTPA policy-making. Local government had in most cases retained responsibility for fund management and for staff work; the PICs were, in the majority of cases, active boards of directors. However, at the time of the first report it was too early to assess whether a durable delineation of roles and activities between PICs and local governments had been fashioned; if the early enthusiasm among PIC members, particularly business representatives, could be maintained; and what impact the PIC would have on local JTPA policies and implementation practices. It was also not clear if the good relations which initially prevailed between PICs and local governments would continue.

This report assesses the status of the local government/PIC relationship at the sample SDAs at the end of the initial operating period, the changes that took place during

that period and the impact the PICs seemed to be having on the JTPA program.

o The first report noted that JTPA's legislative emphasis on coordination among public agencies was, with few exceptions, not reflected in many of the initial SDA plans. The major exception was JTPA coordination with local welfare agencies. Not only did the act mandate the enrollment of welfare recipients, but most local decision makers saw the enrollment of welfare recipients as a sensible way to complement JTPA's lack of wages and stipends and the limitations it had on support services, these benefits could both be supplied by welfare offices.

Coordination with local education agencies, both in the total number of activities as well as a share of overall activities, seemed to decrease from what it had been under the Comprehensive Education Training Act (CETA). Coordination with the Employment Service at the SDA level appeared to be primarily a continuation of previous relationships established under CETA. Most SDAs expressed great interest in coordination with local economic development agencies, but little concrete progress in this direction had begun. However, since there were few SDAs where working relationships between economic development agencies and employment and training agencies had been previously forged under CETA, this initial lack of established joint ventures was not too surprising.

Most SDAs indicated that since establishing and coordinating interagency cooperation was a lengthy process, efforts to initiate that process would in the main remain on the back burner until more basic JTPA operations were in place and functioning.

This report documents state and SDA policies and efforts during the initial operating period relative to the statute's emphasis on coordination.

o JTPA provides funds to train a very small share--estimated by the sample sites at less than five percent--of those individuals eligible for its services. Thus local programs have a large pool of economically disadvantaged persons from which to draw participants. The act, however, restricts local discretion in selecting from that pool by several means. First, it requires that 40 percent of the funds be spent on services for youth between the ages of 16 and 21. Second, it requires that recipients of Aid to Families with Dependent Children (AFDC) and school dropouts, be served "equitably," that is, in approximate

relation to their incidence in the eligible population. Third, the legislation directs its resources toward those eligible individuals who are "in special need" or "most in need" of JTPA's services, and "who can benefit from" its services. The act does not define these terms further, nor has the Department of Labor by regulation. This, in effect, delegates to each SDA that responsibility. The first report indicated that the provisions targeting JTPA resources stated above did not, with the exception of the AFDC requirement, play an important role in initial JTPA planning and policy decisions. The PICs were generally not interested in building a JTPA program around those eligibles "most in need" of employment and training services; a substantial majority felt that the JTPA program should be established instead around the labor needs of local industries, and that the value of JTPA would best be established by low costs and high placement rates, not by its ability to deal with particular groups of eligibles. Local government partners were generally more concerned about high-need individuals and their impact on public budgetary and institutional capacities and on local living patterns, but agreed with PIC members that the structure and incentives of JTPA were not conducive to meeting its targeting language.

The first report expressed concern about the capacity and interest of JTPA programs at many SDAs to satisfy the statute's specific requirements regarding youth and school dropouts, in addition to its larger mandate to enroll those eligibles most in need of its services. This report assesses the initial nine-month performance of the local JTPA programs relative to those requirements, and the policies being fashioned at the state and SDA levels to overcome any performance shortfalls.

* * *

JTPA brought about numerous and substantial changes from previous federal employment and training efforts. There are major changes in programmatic rules and performance requirements, in the structure of local decision making, in the location of the oversight function, in institutional relationships and in funding levels. There are broad statutory requirements--such as that to serve those "who could benefit from" and "who are most in need of" JTPA's services, and very specific mandates--e.g., to spend 40 percent of JTPA funds on youth, which are potentially in conflict with cost and placement rate goals, or with local policy directions to serve as many eligibles as possible or to meet the labor needs of particular local

industries.

The legislation to some extent anticipates the degree of change it is requiring, and the various choices and balancing among goals which might take place, by establishing an initial nine-month operational period in which no penalties are to be assessed for failure to meet performance goals. This report, which covers that initial nine-month operating period, is a reflection and assessment of the early priorities and balances established by the JTPA system among the numerous changes and goals that JTPA mandates. Nine months of operation is too brief a period to fix a set picture of JTPA; changes and the redressing of imbalances caused by early choices are to be expected. The report does, however, point out some of the dilemmas that confront the JTPA system because of the priorities emphasized and choices made in the initial operating period.

The information on which this report relies was collected in June and July of 1984. It was obtained through structured field observations and interviews with JTPA officials and operators in a sample of twenty-five SDAs and fifteen states; through structured telephone interviews with SDA officials in a separate sample of thirty-two SDAs; and through structured telephone interviews with State JTPA officials in all fifty States. The SDAs in the field sample are listed in Table I-A; those in the telephone sample are listed in Table I-B. Appendices A and B of this report contain the instruments used to collect information for the field and telephone survey efforts. Appendix C contains a report by MDC, Inc. based on a telephone survey of 50 state JTPA offices.

The second chapter discusses the basic configuration of the JTPA program during its first nine months of operation: its structure, services, contractors, participants. Chapter three examines the new relationships established between public and private sectors at both the local and state levels--the degree to which the new partnerships met the act's expectations, their successes and problems, and their impact on the early operation of JTPA. The fourth chapter discusses policies and practices at the state and local levels relating to the legislation's mandate for more effective coordination between JTPA and other public agencies with an interest in employment and training services. It provides an assessment of the coordination achieved with each of several major public institutions--education, employment service, economic development and welfare, for example--and describes the issues facing further attempts to satisfy this aspect of the legislation. Chapter five examines the roles and activities

undertaken by the federal and state governments as the primary overseers of JTPA programming, and the degree to which the oversight role they played influenced local programming choices. Chapter six summarizes the report.

TABLE I-A
Characteristics of Field Study SDAs*

SDA	MAJOR CITIES	SDA POPULATION	% ECONOMICALLY DISADVANTAGED
SIXCO (Arizona)		318,755*	21.8%
CONTRA COSTA COUNTY (California)		665,300	10.5%
SAN DIEGO CONSORTIUM (California)	SAN DIEGO	1,861,846	19.1%
SOUTH BAY (California)		339,783	16.5%
DENVER COUNTY (Colorado)	DENVER	492,365	13.4%
LARIMER COUNTY (Colorado)		159,022	9.9%
LEON-GADSDEN-JEFFERSON-WAKULLA (Florida)		226,300	23.7%
TAMPA (Florida)	TAMPA	285,700	23.4%
SDA II (Kansas)	TOPEKA	483,758	16.2%
CHICAGO (Illinois)	CHICAGO	3,005,072	20.3%*
LAND OF LINCOLN (Illinois)	SPRINGFIELD	210,000	9.3%
NORTH METRO (Massachusetts)		725,993	15.3%
DETROIT (Michigan)	DETROIT	922,035	27.4%
GENESEE/SHIAWASSEE (Michigan)	FLINT	521,589	10.0%*
GULF COAST (Mississippi)		182,202	21.4%
BUFFALO-CHEEKTOWAGA-TONAWANDA (New York)	BUFFALO	558,581	21.5%
NEW YORK CITY (New York)	NEW YORK	7,071,639	19.0%
WESTCHESTER COUNTY (New York)		671,248	10.1%
SUSQUEHANNA (Pennsylvania)		513,736	8.0%*
RICHLAND COUNTY (South Carolina)		269,572	15.3%
HOUSTON (Texas)	HOUSTON	1,750,000	12.5%
RURAL CAPITAL AREA (Texas)		227,890	15.4%
VERMONT (Vermont)		539,091	13.0%
SEATTLE/KING COUNTY (Washington)	SEATTLE	1,320,000	7.0%
SPOKANE (Washington)	SPOKANE	353,000	----

*Numbers are taken from SDA training plans unless marked with an *, in which case they are 1980 Census figures.

TABLE 1-B
Telephone Survey SDAs

Alaska (Statewide)
North East Arkansas
South West Arkansas
Greenlee County, Arizona
Golden Sierra SDA, California
Riverside County, California
Bridgeport-Norwalk-Stamford Valley, Connecticut
South West Florida
Metro Atlanta, Georgia
South East Idaho
Kankakee Valley, Indiana
Cherokee, Iowa
Blue Grass, Kentucky
Ouachita Parish, Louisiana
Upper Short, Maryland
Region 7B, Michigan
West Metro, Minnesota
Camdenton, Missouri
Southern Nevada, Nevada
Burlington County, New Jersey
Sullivan County, New York
Centralina, North Carolina
Mahoning-Columbiana, Ohio
South East Ohio, Monroe, Ohio
Central Oklahoma, Oklahoma
Eugene, Oregon
Beaver County, Pennsylvania
Jackson, Tennessee
Brazos Valley SDA, Texas
Bear River District, Utah
Greater Peninsula, Virginia
South East Wisconsin

II

The JTPA Program

As the first study report recounted, much of the early JTPA activity at both the state and local levels related to establishing the new public and private partnerships that would direct and oversee the JTPA program, and the processes and procedures by which these relationships and the program would operate. Though twelve months had been allowed for these activities before actual JTPA program operations were to commence, for a variety of reasons these structural and procedural tasks were not fully in place at a majority of the sample sites by the end of the planning period. Thus on October 1, 1983, when the JTPA program was scheduled by the legislation for commencement of participant activities, two-fifths of the sample SDAs in the study had no training activities in operation. Of those three-fifths that did have some training programs up and running, most had continued a few activities already in operation under CETA but had not yet completed the selection of training activities or contractors that would allow their full JTPA program to become operational.

The general view at the local level--particularly among the PIC members, who were largely new to employment and training programming--was that the first nine months of operation would be used to examine issues relating to the kind and mix of training and service activities they would set up for future operation. A substantial majority of the PICs wanted better labor market information before considering major programmatic changes. However, the PICs were not, with few exceptions, pressing to hold up the implementation of initial JTPA activities until they had satisfactory information. The major exception was the Houston SDA, where in the PIC's view the lack of adequate labor market information, among other things, had to be remedied before program and contractor selection could proceed.

Selection and Structure

Two substantial pressures acted to force early decisions on the makeup of the initial JTPA program and to make it something more than simply an extended CETA. First was the fact that JTPA funding levels represented the latest chapter in a four-year trend in declining federal fi-

nancing of employment and training for the poor and unemployed. Thus, extending previous CETA activities was a reasonable approach to setting up the initial JTPA program; to implement that approach required scaling down the number of existing activities, the intensity of those activities, or some combination thereof.

The second major pressure in the selection process was the perception of the JTPA legislation itself by local decision makers. They--government and PIC alike--almost without exception saw the legislation's performance standards on placement and cost as JTPA's critical component. Though the legislation contained numerous other directives and requirements, the performance standards on placement rates and unit costs, which had been given special emphasis by federal officials, were viewed as more fundamental.

The "scaling-down" process and the consequent startup of JTPA operations were substantially accomplished in 90 percent of the sample sites by January 1984. The relative importance given to standards that guided the program-reduction decisions were fairly consistent across the sites. Only a quarter of the field sites said that the suitability of program activities for those eligibles most in need, or for special-need populations like dropout youths, was an important factor in the selection of activities. Availability of job openings after JTPA training was a more critical factor: 75 percent of the SDAs deemed it important in selecting early JTPA activities. One local official highlighted the importance of this factor by saying he saw JTPA as a "...no-nonsense, cost-efficient way to fill private sector job openings."

The factors deemed most important to selection of specific activities were, as noted earlier, performance factors. Over 80 percent of the sites indicated that projected cost and placement rates were key considerations in putting together the initial package of JTPA activities. Local decision makers, both PIC and local government, were consistent about the rationale behind this weighting of factors in fashioning a program. A local government spokesman at one of the sample SDAs put it succinctly: "The name of the game is performance."

Most local JTPA officials agreed with that representative's straightforward assessment of priorities. A few officials, typically from local government, saw this early weighting of priorities as an initial stage in JTPA's development. They expressed the view that since the public and many elected officials had lost faith in employment

and training programs under CETA, JTPA's first priority should be to achieve high placement rates in order to establish its credibility. They expressed optimism that attention to high-need individuals would increase if JTPA's early operations were marked by high performance. High placement performance, they felt, was the initial key to continued federal support and to any possibility for a funding increase. One official said, "We are running a small program, tiny in the face of those with serious problems in getting jobs. If we can't solve serious social problems, we might as well produce good numbers. Solving problems will come later."

The majority, however, expressed no philosophy on program evolution. They saw their task, whether they agreed with its emphasis or not, as one of putting together a group of activities that would meet established standards of placement and cost.

These primary selection criteria led to a series of decisions which would affect the basic structure of the new JTPA program. For example, the JTPA statute requires that a minimum of 70 percent of JTPA funds be spent on training activities. The remaining 30 percent or less is to be allocated between program administration and participant support service costs. (The latter are defined as transportation, child care, and other special services required for participation in the training program.) No more than 15 percent is to be expended for program administration. As noted in the first study report, this apportionment represented a significant tightening of allowable expenditures for administrative and support service costs than had existed under CETA, and considerable concern among local government officials that it would impede JTPA's ability to serve those eligibles most in need of assistance to gain entry to the labor market.

Ten of the 25 field sites, however, initially decided to allocate more than the minimum of 70 percent for training activities, and less than the minimum allowed for support services. Thus the initial structure of JTPA activities was weighted even more towards training, and less toward support services, than the legislation required. By June 30, 1984--the end of the first operating period--21 of the 25 SDAs in the study sample had actually expended more than 70 percent of their JTPA funds on training, and less than 15 percent on support services. The sample sites on average spent 76 percent on training and 8 percent on support services during the initial operating period. In short, the policies and practices of

JTPA's initial operating period produced a program more focused on training activities, and less oriented to providing support services, than anticipated by either the legislation or initial SDA plans.

TABLE II-A

Expenditure Allocation By 25 SDAs For 10/83-6/84

	Legislation	Initial Plans	Actual
Training	70%	71%	76%
Support Services	15%*	14%	8%
Administration	15%	15%	16%

*The legislation does allow SDAs to request state approval to increase the percent for support services. Two of the 25 field sites took advantage of this provision.

That this allocation of expenditures was implemented without significant disagreement among the local government and PIC partners appears at first surprising, since the majority of local government representatives stated that the act's limitation on support services would be a significant impediment to enrolling those eligible individuals who most needed governmental assistance to get a job. This consequence rarely emerged as a major issue in local policy deliberations. Three factors operated to keep it a background issue. First, local government representatives, as indicated earlier, felt that high placement performance was the first priority. Thus few were willing to push too actively for policies that might encourage those eligibles with substantial support service needs to enroll in JTPA. Second, most PIC members were new (70 percent), and had little inclination to seek exceptions to federal policy before the program started, particularly in an area where many already held firm opinions. For example, over two-thirds of the business members of the PICs felt that offering support services played to an applicant's tendency to dependency. Third, the local partners, but particularly local government representatives, were very concerned about the amount of JTPA's monetary resources, and the very low number (less than five percent) of eligibles it could serve. Thus there was a tendency to put the maximum amount of money in training activities, so that the greatest number of

eligibles could receive JTPA training services.

This reasoning and those considerations were also applied in most study sites to policies regarding needsbased payments, and indeed to any service, such as outreach, remedial education, English-as-a-second-language instruction, counseling, etc., which did not lead directly and relatively quickly to a job.

In addition to the emphasis on expenditures for activities that would lead directly to a job, three other elements characterized the structure of the early JTPA program. First, in line with the selection priorities described earlier, most SDAs did not select training activities for their suitability to particular groups, even those mandated by the legislation. Thus, although the legislation mandated that 40 percent of the funds be spent for youth programming, fewer than 10 percent of the field sites separated their JTPA program into distinct youth and adult components. For the remainder of the sites, whatever separate programming for youth they had consisted of contracts with local public schools to operate employability development and job placement programs for seniors, and small specialized programs for dropouts. For example, half of the sites had small work experience or tryout employment programs for youth, which constituted on average less than four percent of their training budgets. Fewer than half the study sites had any training activities designed specifically for dropout youths, and even where such training programs existed, they were very small, usually far less than two percent of the total training budget.

This pattern carried over to locally defined target groups. For example, one site established a goal of enrolling 10 percent handicapped, but funded only one small program--which enrolled less than one percent--that was designed to accommodate the handicapped. In short, the initial JTPA program was largely constructed as an integrated program, with only modest attempts to define or meet through special programming the needs of the legislatively mandated groups or of groups locally defined as special target groups.

The second characteristic of early JTPA programs was that very few multi-component programs were selected for operation in the sample SDAs. This structural feature occurred primarily because of the emphasis on low cost per placement, and the local priority to serve as many eligibles as possible with the limited JTPA funds. Thus

with few exceptions the training programs selected for initial operation offered one service to a participant--be it clerical training, lab technician training, or job club--rather than a sequence or grouping of services, as was characteristic of much CETA activity.

Third, those activities selected were usually marked by a shorter planned duration than that of the preceding CETA activities. Seventy-two percent of the sites said that in selecting programs for JTPA they favored programs of shorter duration. Thus the maximum on-the-job training program (OJT) of the sample sites was expected to be about 16 weeks long; the maximum classroom training about 26 weeks. The sites reported that these maximums for JTPA reflected the average length of such activities in the 1983 CETA program. The sites' perception is consistent with recent research on the 1983 CETA program sponsored by the National Commission for Employment Policy, which found that the average length of classroom training programs was 26 weeks and the average length of OJT positions was 20 weeks.

In fact, participants in JTPA at the field study SDAs during the initial operating period remained in training activities for much shorter periods than planned: 11 weeks for adults, and 12.2 weeks for youths. Though many JTPA officials at the SDAs, states and the federal level of government said past research showed that longer training programs produced more enduring impact on employment and wage levels of participants, the emphasis on low cost per placement and the desire to enroll as many participants as possible produced generally short training programs.

The new JTPA program, then, was not in intent or initial structure a simple extension of previous CETA activities. It reflected the assessment of local decision makers that the priorities of JTPA did not necessitate substantively new or different kinds of activities or contractors, but rather selection criteria and a streamlined program structure that focused on cost and placement efficiency.

Training Activities

The act lists 28 kinds of approved training activities, and notes that the SDAs are not limited only to those. In addition, the act describes in considerable detail what it terms "exemplary programs" that can be operated and funded under JTPA for youth participants. The legislation, as

one part of its effort to decentralize decision making, specifically delegates the selection of training activities to the local goverment/PIC partnership. Thus the legislation contemplates a wide variety of training activities based on the discretion granted to the more than six hundred SDA to construct JTPA programs that reflect local needs.

In fact the study sites put together JTPA training programs which focused heavily on two activities: classroom training and on-the-job training. The sample sites on average put 71 percent of their training budget into those two activities and expected about 77 percent of all adult participants and 60 percent of all youth participants to enroll in one of these two types of activities. The actual combination of the two activities in any one site ranged considerably--from the North Metro SDA in Massachusetts, where classroom training was allocated 60 percent of the training funds and OJT 11 percent, to SDA II in Kansas, where 70 percent of the training funds were allocated to OJT and 20 percent to classroom training.

The reasons for the mix of OJT and classroom training at a particular SDA also varied considerably: in the Rural Capital Area SDA of Texas some business leaders had little interest in OJT, primarily because they judged it a "handout" program; the Larimer County SDA in Colorado put two--thirds of its funds in OJT largely because it judged OJT of greater interest to the business community, and a more cost-effective approach. But regardless of variation in mix, the dominant theme of service and delivery was that OJT and classroom training were the only major training activities to be offered in every one of the sample SDAs and that in whatever mix they occurred, they comprised the great bulk of activities.

On average the study sites reported that the level of classroom training as a share of total employment and training activities was about the same as it had been under CETA. Thirteen percent of the sites reported a major increase in skills training activities, and 10 percent reported a major decrease. In the overall sample however, major changes basically cancelled each other out. The remainder of the sites reported no or only modest shifts.

On-the-job training, on the other hand, received a major increase in its share of overall funding in 72 percent of the sites and some increase in 16 percent--no sample site reported a decrease in on-thejob training

activities. This major and uniform shift in the nature of employment and training activities was primarily due to two factors. First, on-the-job training was attractive because of its location on an employer's premises, where it would have close connection to job placement. OJT required in principle no additional placement services once the training activities were completed; the employer hired the trainee if the training had been successful. It was a shorter activity than classroom training--a planned average of 16 weeks, compared to 26 for classroom training. Thus OJT clearly met the primary selection criteria described earlier.

Second, OJT was very attractive to many business representatives on the PICs. They felt that OJT, with its wage subsidy, provided an easy-to-understand attraction to local businesses, particularly in the small- to medium-sized businesses where most hiring was taking place. The Kansas SDA II area, for example, had allocated about 65 percent of its funds to classroom training under CETA; under JTPA 70 percent went to OJT, primarily because of the PIC. The vice-chairman and long-range planning committee chairman of the Chicago PIC said: "If you want the private sector involved, you must make it financially attractive. There is no substitute for the bottom line. And you must make it painless. That is critical: no complications, no burdens, no jargon." OJT came closest to meeting those standards, in his opinion and in that of the local decision makers at virtually all the study sites.

No other training activities were offered across the study sites with the level of consistency or amount of funding that classroom training and OJT had. Job club and direct placement activities--short-term efforts lasting from three to six weeks--were the next most utilized approaches, employed at 70 percent of the sites. The sites utilizing these programmatic activities allocated on average 15 percent of their training funds to them, but expected between 35 and 40 percent of JTPA participants to receive these services. Thus many SDAs used these activities as a way to ensure that unit cost goals were met. The New York City PIC, for example, made clear that it would push for an increase in direct placement activities in the future to reduce the relatively high unit costs generated by the PIC's previous emphasis on classroom training.

In fact, these short-term activities were the only major group of activities besides OJT which showed a proportional increase over the prior CETA program. Fully 47

percent of the sample SDAs indicated an increase in direct placement activities compared to CETA; only nine percent showed a decrease. Thirteen percent said they'd had a major increase in job club activities; only three percent indicated a decrease.

Most of the sites offered other activities besides classroom training, OJT, direct placements, and job club, but there was a less consistent pattern of usage among the SDAs of other activities and a substantially smaller commitment of resources. For example, slightly more than half of the sites offered work experience, either alone or in combination with classroom training. These sites committed on average less than ten percent of their training funds to work experience and in most cases reserved the activity for special populations. New York City, for example, eliminated work experience as a feature of regular programming except for a small component reserved for special groups like the handicapped. The Houston SDA funds one work-experience program aimed at youthful offenders. The Larimer County, Colorado SDA used work experience for participants, both adult and youth, who were assessed as needing more than job club and yet were not ready for classroom training.

A few sites kept work experience as a major training component. The Denver, Colorado SDA funded work experience sufficient to enroll 55 percent of its youth. The Vermont SDA maintained a work-experience component sufficient for 30 percent of its enrollees. These were the exceptions, however. The general pattern was either no work experience or a small component for youth or other special groups.

There were two other activities that, like work experience, appeared in over half the sites at modest levels of funding. One such activity--remedial education (including English as a second language)--was available at three-fifths of the sites. At those sites remedial education was allocated about six percent of available training resources. Many of the sites offering remedial education did so as an adjunct to other training services: the Contra Costa and South Bay, California SDAs, for example, provided remedial education in conjunction with classroom training. A few of the sites, like the Genesee/Shiawasee SDA in Michigan and the Chicago, Illinois SDA, offered remedial education to youth participants only. Those 60 percent of the sample sites offering remedial education anticipated that 10 to 15 percent of their enrollees would participate in those services. They did not see it as a

long-term activity and scheduled most remedial activities to last between 12 and 18 weeks.

The other activity appearing at a majority of sites and, per legislative mandate, offered to youth only, was tryout employment. Fifty-eight percent of the sample sites used this component, and these sites set aside for tryout employment 13 percent of the funds they intended to expend on youth. They expected 14 percent of their youth enrollees to participate in tryout employment and scheduled it for an average of nine weeks. The other 42 percent of the sites did not utilize tryout employment during JTPA's first operational period.

At least one SDA--South Bay, California--dropped tryout employment as an available service during the first operating period for fear that it would induce youth to leave school. A few other SDAs stated the legislation's denial of this component for out-of-school youth was a serious limitation on its usefulness.

In general the study sites were not enthusiastic about dedicating much effort or extensive financial support to tryout employment and other "exemplary" or innovative programs for youth and other groups (e.g., teenage parents). Their basic judgment, as detailed earlier, was that they had too few resources to engage in such efforts on a scale equal to the problems they represented and that special or innovative programs did not aid them in meeting the low cost and high placement rates which they felt were JTPA's priority, and which were necessary to improve the public image of employment and training.

TABLE II-B

Training Activities at Study SDAs For 10/83-6/84 Period

	% SDAs Using	% Funds Allocated*	% SDAs Increase (Decrease) Usage Compared to CETA
OJT	100%	39%	72% (0%)
Classroom Training	100%	32%	13% (10%)
Work Experience	51%	8%	0% (96%)
Job Club, Direct Placement	70%	15%	47% (9%)
Tryout Employment	58%	13% (youth funds)	NA
Remedial Education	60%	6%	NA

*The percentages will not add to 100 percent since each percent applies only to those sites using the particular training activity.

An issue which the first study report raised as a central concern at most of the study sites was how the SDAs would balance satisfying the needs of the local labor market against those of the populations most in need of employment and training services. Interestingly, this remained a central issue after the first nine months at only a small minority of the sites. The practical decisions made in putting together the first-year training program had clearly resolved the issue in favor of the labor market, according to both local government and PIC officials at a substantial majority of the sites. The structure and mix of training activities reflected that judgment. The program was very streamlined and was focused on a few basic activities designed to place enrollees in regular jobs quickly, at a high rate and low cost.

Support Servic

The financial investment in support services offered at the field study SDAs, as noted earlier, was significantly less than what the legislation allowed. (The legislative limitation was that support service and program administrative costs could not exceed 30 percent of total JTPA funds. Administrative costs were limited to 15 percent, which was 5 percent below the prior CETA maximum. Thus most SDAs felt that support services were for practical purposes limited to 15 percent.) Local government representatives at a majority of the SDAs had expressed concern at JTPA's startup that allowable expenditures for support services would limit their ability to enroll many eligibles who most needed subsidized training services to prepare them for the job market.

The PICs, led by their business representatives, often took a different view. Over 60 percent of the PICs took the position that support services should be held to minimal levels. Their judgment was that the provision of support services often promoted dependency or duplicated resources that could be provided by other means, public, private, or personal. One PIC chair said: "We are not setting up a program to deal with the unmotivated."

As noted earlier, 84 percent of the field study SDAs expended less support services than the legislation authorized. Sixteen percent--or four of the 25 sites--offered no support services at all, though one of those decided during the nine-month operating period to add a small complement of services in order to remedy a lagging enrollment problem. A third of the study SDAs did not allow needs-based payments. Fewer than a tenth of the 57 field and telephone survey SDAs took advantage of the legislation's authorization for a local PIC to seek from the state approval for an increase in support service funds.

A few of the SDAs were criticized by their states during the planning review process for their lack of adequate support services. The state of Michigan, for example, reacted unfavorably to an SDA's original plan to allocate only two thousand dollars of its total JTPA budget for needs-based payments. The SDA responded by raising the total to $15,000. Most states did not, however, press for increases in support service and needs-based payment levels at the SDAs.

The restricted funds set aside for support services led to a variety of mechanisms and rules on their use at the SDAs. Some, like the Spokane, Washington SDA, allocated the support service funds among their contractors and let them use the limited monies for the support services they chose. Other SDAs established overall policies: Contra Costa, California limited support services to transportation and day care; Denver, Colorado established a four-month maximum on services received by any enrollee; San Diego temporarily limited needs-based payments to older workers. The Tampa, Florida SDA allowed three dollars a day for transportation and lunch to those in need of financial assistance; New York City allowed five; Vermont allowed ten dollars per day based on restrictive income criteria. Few of the SDAs planned to provide support services or needs-based payments to more than 15 percent of the JTPA participants.

In short, the prevailing pattern among the SDAs was to restrict further the statutory limitation on support services. Critics of the limited support service policies were almost exclusively from local government and community-based organizations, and rarely from business representatives on the PIC. Since any initiative to increase the level of support services had to come from the PIC, there were few increase requests. Both local government and PIC representatives agreed that the restrictive support service policies adopted would lead to JTPA enrollees who were more job ready than if a more extensive range of services and supports had been offered.

Service Providers

Determining which organizations would operate JTPA training activities was in many ways the central concern of local decision makers as JTPA began operations. From the perspective of local government officials, JTPA represented yet another in a series of reductions in federal funding for employment and training. They foresaw some local service providers having to lose some or all of their funding, regardless of capability or past performance. Since most local government JTPA staff had previous CETA experience, these officials were prepared for the long and arduous process of contractor selection and preparing rationales for those who would complain, either through administrative or political channels, about their exclusion or reduction. A number of local government representatives said that one of the advantages of having the PIC as joint decision maker was that it lessened the

capacity of some organizations to gain contracts by virtue of political connection or sheer longevity.

From the PIC perspective, producing high placement and cost performance was primarily dependent on selecting providers who either had track records of high performance or were proposing training activities in high-labor-demand occupations, where there was a good likelihood of placement after training. As indicated earlier, the majority of the PICs, led by their business representatives, wanted to develop better labor market information as a base for selecting JTPA training areas. Since in their judgment such information was not available at JTPA's startup, careful service provider selection became the primary means to ensure that JTPA met its initial performance goals. Those PICs who had little faith in formal labor market information also stressed contractor selection as the major means to ensure performance. The task of contractor selection was rated of priority interest at more than 70 percent of the sample PICs. No other task--including selection of training areas, marketing, policy development regarding support services, and targeting--was rated as important by so many PICs.

Thus having a carefully defined set of standards and a process for reviewing and selecting contractors occupied a high priority position among the local governing partners at the sample SDAs. No other single issue received on average the time and attention by PIC and local government representatives as did the contractor selection process.

That process, as indicated earlier, focused at most of the SDAs on prior performance in placement and cost under CETA. Thus it did not favor organizations which had in the past enrolled "high-risk" individuals--those with multiple support service needs or with backgrounds seriously lacking in work histories or skills. The process did not favor contractors who had operated multi-component programs or those whose training programs had been of any significant duration. Since the organizations applying to be JTPA contractors were aware of the standards being applied, most tailored their JTPA proposals so that they reflected shorter, lower-cost and higher-placement operations than they had operated under CETA. In several SDAs, agencies accustomed to serving high-risk populations judged that they could not compete under JTPA without abandoning their traditional commitment to the hard-to-employ. In one SDA, the two largest community organizations dropped out of the competition rather than change their focus.

In general, however, training agencies simply changed their focus, at least in terms of federally funded employment and training efforts. The head of such an agency in one SDA said that in order to get a JTPA contract it had changed its focus from "...taking the tough cases, to becoming an efficient personnel office for local businesses." Though without exception the community-based organizations interviewed declared their inability to operate programs under JTPA for those most in need, most saw little to be gained, for themselves or their communities, by dropping out of JTPA altogether.

The SDAs were thus generally met with proposals from the same group of agencies and organizations that had previously operated CETA programs. The proposed programs were different from previous programs, according to numerous SDA representatives, in two key respects. First, as was expected, they set forth programs that were shorter and cheaper and, for classroom training, that had higher requirements in terms of skills and educational level. Second, they tended not to focus on particular groups. This second change not been adequately anticipated: most SDAs had expected that sufficient contractor proposals aimed at youth and dropouts would enable them to meet the legislation's requirements for serving those groups. In most cases their expectation was not met. The City of Chicago, for example, was faced with a requirement to expend 43 percent of JTPA funds on youth, while the initial contractor proposals, even if all youth proposals had been fully funded, amounted to youth expenditures of only 26 percent. What had happened was simply that potential contractors--even many who had traditionally served youth--were not eager to serve a group with whom they thought it would be difficult to meet prevailing performance standards. It was this somewhat unexpected event--the lack of contractor interest in serving youth--which caused even further delay in program startup at a number of the SDAs.

By January 1984 the sample SDAs had largely completed the service provider selection and contracting processes, and JTPA's initial programs were operational. The configuration of service providers for the October 1983 through June 1984 period is set forth below.

The Public School System. The public institution most commonly used as a major JTPA service provider was the public school system--52 percent of the sample SDAs had substantial contracts (10 percent or more of training resources) with secondary schools. Another 18 percent had contracts, though not major ones, with the local school system. Thirty percent of the SDAs had no contract at all with the public schools.

JTPA's use of the public schools is interesting from several perspectives. That 52 percent of the SDAs had major school contracts indicates the extent to which some JTPA officials were concerned at the initial lack of contractor interest in training youth; as the first study report noted, in their early planning only a third of the SDAs anticipated use of the public school system as a major service provider. Thus a number of SDAs apparently negotiated contracts with local schools, at more or less the last minute, to increase JTPA youth enrollees. These school-based programs were primarily for high school seniors not intending to go to college. The programs usually consisted of career information, some occupational testing, and job clubs or placement services. They were basically set up as low-cost, high-placement programs.

A few SDAs did have more intensive in-school programs. South Carolina, for example, has in place an in-school program that operates from the ninth through twelfth grades, and that offers in its initial stages prevocational and preemployment training, vocational exploration and tryout employment as more advanced services, and job-seeking skills throughout the program. This extensive program was not developed as a JTPA innovation, however, but as a result of previous state policy decisions. The Genesee/Shiawasee, Michigan SDA put 24 percent of its training monies into an in-school program that includes preemployment skills training, supported work, and entry-level employment experience as well as job-finding training. On the other hand most in-school programs were not so intensive, and were budgeted at well below the average placement cost allowed by JTPA.

Equally interesting, given JTPA's requirement that 40 percent of training funds be spent on youth, is the fact that 30 percent of the sample SDAs did not utilize the public schools as a service provider at all. Many of these SDAs said they had in the past used the school system to administer work experience programs or specially funded national youth demonstration programs. Without work experience or national demonstrations, the schools were no longer viewed as a provider of employment and training services.

Plans for the July 1984 through June 1985 operating period indicated no substantial changes were contemplated in the use of public schools as JTPA service providers.

Private Industry. Private, for-profit businesses were major service providers at 67 percent of the field and telephone survey sites. This high incidence of involvement as service providers reflects the generally increased

involvement of the business sector in all levels of JTPA activity. One area of particularly high involvement was on-the-job training. Although businesses were involved in classroom training at a quarter of the sites, their major service activity was centered around on-the-job training.

As indicated earlier in this chapter, SDA interest in OJT started out high under JTPA and, primarily because of the PICs' insistence, increased throughout the nine-month operational period. By the end of that period, one quarter of the PICs said they intended to increase their investment in OJT training in the future. This, naturally, would enhance business involvement at those sites. Those SDAs seeking such increases in OJT were usually those in which OJT had accounted for less than 20 percent of training activities during the initial period.

There were, however, difficulties in securing business participation at a number of the sites. Contra Costa, California, for example, which had a very active PIC, reported that it was having considerable difficulty promoting employer-based training, particularly with primary-labor-market employers. A fifth of the field survey SDAs reported similar problems. These SDAs were the ones that had planned at least a third of all training activities to be private-sector OJT. Other SDA representatives were concerned that a general decline in local business expansion, which had occurred in most of the sample SDAs during the initial operating period, would severely undercut a JTPA program heavily reliant on business involvement in training. Most SDAs, however, judged that the JTPA program was too small to be significantly affected by modest changes in the local economy and that aiming for increased business involvement in service delivery was a natural concomitant to the philosophy and structure of JTPA. Some business executives voiced a similar view. One PIC chairman said: "You want to involve small and medium-sized businesses in JTPA, because that's where the jobs are. Then they have to feel a direct financial benefit. Don't talk long-term stuff; help pay for their training costs now. That'll get them involved."

The Employment Service. The Employment Service was a major service deliverer in 34 percent of the sample sites. It was not a service provider at all in 41 percent of the sites, and had a modest level of participation in service delivery at 25 percent of the sites. This did not represent a substantially greater reliance on Employment Service than had existed under CETA.

Those SDAs that did utilize the Employment Service varied considerably in the functions they had it perform.

In Vermont, a single-State SDA, the Employment Service is a major deliverer of most JTPA services throughout the state. In South Carolina, another single-state SDA, the Employment Service carried out intake and assessment for JTPA and operates the State's needs-based payment system. In Tampa, Florida, the Employment Service ran the SDA's OJT component. In the Seattle/King County, Washington SDA, the Employment Service is a contractor for skills training. In the SIXCO, Arizona SDA, the Employment Service did JTPA eligibility determination. The extent and nature of Employment Service functions under JTPA was primarily a continuation of its earlier activities under CETA.

The future of Employment Service involvement as a JTPA service deliverer was in some flux at approximately half of the field sites. For example, of the five SDAs mentioned in the preceding paragraph as major users of the Employment Service, three expressed strong reservation or dissatisfaction with its performance during the initial operation period and indicated they had already decided or were seriously considering substituting other contractors for the Employment Service. These five were not alone. On the other hand, an equal number of field SDAs expressed interest in increasing their use of the Employment Service, in good part because of state policies and incentives intended to stimulate closer JTPA/Employment Service ties.

So the longer-term direction of Employment Service involvement in JTPA continues to be unclear. However, at this point, the waxing and waning of interest in the Employment Service at some of the SDAs does not outweigh the overall pattern of a relationship that is basically a continuation of the previous CETA/Employment Service relationship. The 50-state survey, however, indicated a clear trend at the state level for greater JTPA/ES coordination. Whether the state interest will affect SDA activity is an issue for follow up.

Private Training Organizations. Private training organizations were a major deliverer of training services--usually classroom training--at 39 percent of the SDAs. These organizations carried out technically-oriented JTPA training. For example, the sites offered classroom training in the vocational areas of dental hygiene, medical technology, word processing, court reporting, supermarket management, computer maintenance, and a host of other skilled occupations. A substantial portion of funds for this kind of training went to these private contractors.

SDAs had previously used many of these private training organizations under CETA. They reported satisfaction with the training and the placement rates, but several expressed concern at the cost of such training and at the degree of client screening such contractors required before accepting JTPA eligibles. In one SDA, a proprietary school reportedly turned down 25 JTPA eligibles for every one accepted; in another, a bank teller training program screened 118 JTPA eligibles to get 19 enrollees. Though the study did not collect such information on a systematic basis, there were numerous anecdotal reports of this phenomenon. Several of the SDAs felt that these practices were part of the reason for shortfalls in overall enrollment.

Most SDAs planned to continue their use of such contractors. However, there was no intention to increase their utilization; a quarter of the sites proposed to substitute more OJT for some portion of their classroom-training activity and thus proportionately to reduce the use of private training organizations.

A third of the sites did not use private training contractors at all, either because they were not available or because community colleges were preferred and could often provide similar training at a lower cost.

Community Colleges. Community colleges were a major deliverer of training services at 31 percent of the sites. They were used for technical training (such as word processing), remedial education, English-as-a-second-language instruction, and employability-enhancement classes. Rather than having specific contracts with community colleges, the SDAs would usually refer individuals to appropriate classes where there were openings.

Community-Based Organizations (CBOs). As the first study report detailed, the role of CBOs in employment and training at the majority of the sample sites has been declining since 1980. The steady decrease in federal funding over that period of course resulted in a reduction in absolute dollars that CBOs received to carry out employment and training activities. A further relative decline occurred when public service employment was phased out in 1981, since many CBOs played major roles in recruitment, assessment, and preemployment training for that program. Yet another relative decline occurred in 1982 and 1983 as many prime sponsors reduced or eliminated training allowances or otherwise altered their CETA program in anticipation of JTPA. Research sponsored by the National Commission for Employment Policy estimates that over 60 percent of CETA prime sponsors made such changes.

A third of the sample sites said that CBOs took another larger-than-proportional reduction in initial JTPA funding. This reduction came about in part because certain services such as outreach and counseling, often handled by CBOs, were being reduced or eliminated in order to lower administrative costs, and in part because other contractors had been substituted for CBOs. In a few cases, as noted earlier, CBOs voluntarily dropped out of providing employment and training services because they did not feel they could meet the JTPA's prescribed placement and cost standards while continuing to enroll those members of the community their institutional mission called for them to serve. Thus at the outset of the initial JTPA operational period, 24 percent of the sample SDAs had no role slated for CBOs in service delivery; another 38 percent were using CBOs at modest levels of service delivery (10 percent or less); and 38 percent were employing CBOs to carry out substantial portions of their services.

There were significant exceptions to this overall decline. The New York City, Houston, and Genesee/Shiawasee, Michigan SDAs all utilized CBOs to carry out between 50 and 75 percent of their total training activities. The San Diego, Seattle, Spokane, and Denver SDAs employed CBOs to implement between 25 and 50 percent of their training activities. The Rural Capital Area, Texas SDA had a CBO as grant recipient, administrative agent, and major deliverer of services. In all these areas CBOs had historically been major service delivery agents and had maintained their positions as JTPA began operations. They are all, with the exception of the Rural Capital Area of Texas, urbanized areas. The remainder of the sample areas, primarily rural, suburban, or small city, had either no or modest CBO involvement in JTPA. In a few rural SDAs, there were no CBOs.

Underneath this overall portrait of continued CBO strength in urban areas and weakness or complete absence in other areas, was a fair amount of local variation in assessment of CBO participation during JTPA's first contract year. In one California SDA, which commenced JTPA operations with no CBO program deliverers, two CBOs were added during the year to operate programs for Mexican Americans and Asian Americans. In another, PIC evaluation of early performance led to one CBO contract termination, while two other CBOs were put on notice for substandard performance. In one statewide SDA, CBOs were under consideration for a major increase in JTPA responsibility because of the state's perception that outreach was not being adequately performed. In a major urban SDA, local government twice in the nine-month period denied the PIC's

attempts to drop CBO contractors. In another, the PIC attempted to terminate a CBO's contract on performance grounds, local government disagreed, and an arbitrator ruled for the PIC. In a relatively affluent countywide SDA, use of CBOs was increased over the operating period because of the PIC's judgment that outreach and recruitment efforts were not strong enough.

By June 30, 1984--the end of the first JTPA operating period--this churning appeared to presage another modest decline in the CBO role as employment and training service provider: 15 percent of the sample sites had or expected an increase in the CBO role for the operation period beginning July 1, 1984, and 22 percent had or expected a decline. Perhaps of more significance for the future than another modest decline was the sorting of roles that the churning reflected. Where enrollment lagged, particularly youth enrollment, one remedy that some SDAs pursued was increasing the use of CBOs for outreach, intake, and occasionally the provision of training programs. As the next chapter indicates, not all SDAs with enrollment problems increased or contemplated increasing CBO involvement, but enough of them did to present a pattern. On the other hand, CBOs were treated no differently from any other contractor vis-a-vis placement and unit-cost performance standards. If a CBO did not meet those standards, most SDAs--particularly the PICs--afforded little leeway for the argument that the CBO was, because of its institutional mission and neighborhood location, dealing with a portion of the JTPA eligible population that was more disadvantaged in terms of education, income, work history, and experience than those JTPA eligibles being selected by other training contractors.

The looming issue, not yet experienced at the sample SDAs, is whether CBOs called on by the SDAs to recruit special groups of eligibles will be in a position to justify lower performance by those recruited. Those CBOs surviving under JTPA have for the most part chosen not to risk bringing up this issue and are enrolling from their communities those eligibles they judge can perform up to the standards of JTPA. As a CBO representative in a rural SDA stated: "In JTPA, we are not concentrating on serving the most in need in our community, but rather on becoming an efficient employment agency for local employers. We are, we believe, providing a valuable service--people are getting jobs--just not for those who need it most."

Participants

As JTPA began operations in the fall of 1983, three fundamental issues regarding those who might participate in the program dominated discussions at the sample SDAs and their respective state oversight agencies. The first was the statute's mandate that those "most in need" or "in special need" of JTPA services, and "able to benefit" from them, be targeted for participation. The legislation did not define those terms further; nor did Department of Labor regulations; nor, for the most part, did state directives. The defining and targeting was, in accordance with the legislation's spirit and letter, to be a local responsibility. As the first report noted, the prevailing SDA approach at that time was not to define those terms.

The second major participant issue was the capacity of the local programs to meet the specific targeting requirements of the legislation. The act required that each SDA spend 40 percent of its resources on youth and that recipients of Aid to Families with Dependent Children and high school dropouts be served equitably, taking into account their relative incidence in the JTPA-eligible population. The first report described the widespread reluctance at the SDAs to set specific goals for enrolling dropouts and the concern at over half the sample sites that the kinds of training services JTPA would offer, combined with the lack of stipends for those activities, would not attract youth.

The third concern was the low percentage of economically-disadvantaged eligibles who could participate in JTPA given its modest level of resources. As the first report noted, the sample SDAs estimated that they could provide services to less than five percent of the eligible population. Large urban areas projected serving one to three percent of eligibles, as did the large rural areas in the study sample. Suburban and small city areas anticipated serving from eight to 13 percent. Local government officials were particularly concerned about this large gap between resources and eligibles. PIC members expressed some concern but on the whole viewed JTPA's modest size as an opportunity to build a quality training program and provide qualified personnel to local employers. Both local partners agreed that, given CETA's poor reputation in the business community and, with the current national budget deficit, the best chance for any future increase in JTPA funding levels lay in early high performance. And it was believed that a smaller program was more likely to achieve that goal.

Most in Need. By June 30, 1984--the end of the first operating period--discussion and debate over defining and targeting JTPA resources toward those eligibles "most in need" and "able to benefit" had all but ceased at a large majority of the sample SDAs. Eighty percent of the field sites (20 of 25) agreed that they were not attempting to define who those "most in need" of services were, and had no intentions to do so. For example, officials at one SDA said that they were not concerned about those most in need but rather with those with modest needs and added that "a certain degree of job readiness tends to be presumed when the program emphasis is on OJT and short-term classroom training." At another field study SDA, officials said that whereas balancing employer needs with those of most-in-need populations was a significant issue at JTPA start-up, it no longer was. And local government and PIC officials agreed that JTPA was "not a poverty program" like CETA. These SDAs reflected the prevailing sentiment at the sample sites after nine months of operation.

Those few SDAs who did think they were serving those eligibles most in need had a variety of reasons for that conclusion. Officials from a statewide SDA said that no special targeting policy was necessary because that state's citizens generally disliked government programs--therefore anyone who enrolled in JTPA was definitely in need of its services. In a rural SDA, where officials maintained a point system established under CETA to rank the extent of an applicant's barriers to employment, it was felt that the program was functioning much as it had in the past. Both these SDAs offered a wider variety of services than did the other study sites, including a substantial work experience component, and had considerably greater coordination of services with other local public agencies. Two other field study SDAs claimed that they regularly monitored intake and assessment procedures to enforce their anti-creaming policy and that as a result JTPA participants were similar to CETA's in terms of prior education and work experience.

But these were exceptions. Most SDAs did not pay any substantial attention to the statute's broad mandate to serve those most in need of and able to benefit from its services. They felt that mandate was undercut by the act's restrictions on support services, stipends, and work experience; its strong focus on standardized performance standards; and its major role for the private sector. They judged that these latter provisions of the act were more important to what JTPA was trying to accomplish than its mandate on most in need.

In view of the foregoing, it was not surprising that three-fourths of the field sites said that JTPA participants during the first operational period were better off, particularly in terms of education, past work experience, and lack of support service-needs, than had been CETA participants. A few SDAs were concerned about this, though it was unclear if any concrete action would be taken to remedy that concern. The governor's office in one of the study states examined early JTPA participation and concluded that JTPA was "...working with a slightly easier-to-serve group--but we are serving these individuals much more successfully." Staff in a midwestern SDA said they had developed a "priority point" system under CETA for assessing applicants: barriers to employment (e.g., no work history, no car, no day-care provider) accumulated points on a one to 10 scale, and those with higher "scores" were accorded priority in receiving services. An official noted: "...the system has broken down. Previously lots of sixes and sevens got into the training programs; the contractors just won't take them now. They look for ones and twos."

The grant recipient and administrative agent for an SDA in Texas--a community-based organization--was also concerned about the local JTPA program's inability to serve those most in need of its services but claimed that little could be done because the training contractors, the official said, generally screen out those eligibles with the greatest obstacles to employment.

The training contractors were in fact the locus of decision making regarding who participated in JTPA at 76 percent of the field sites. Centralized intake, screening, assessment, and assignment had been one of the first functions dropped by most SDAs when JTPA's reduced administrative funds were allocated. Control over who among elegibles was receiving employment and training services was thus substantially decentralized and deregulated under JTPA. SDA officials said the training contractors now had substantial discretion regarding JTPA applicants and that so long as the contractors were taking eligibles, the SDAs intended little intervention. Officials at one SDA, for example, noted that service providers apply their own informal criteria to the screening process, and "can screen as much as they like." Officials at several SDAs reported service providers seeing as many as 20 to 25 eligible applicants to get one participant, but few SDAs made any attempt to keep reliable statistics on this issue. Several SDAs mentioned contractors holding three-to-four-day orientation sessions for applicants. Those eligibles who kept coming back were accepted into JTPA. Regarding local discretion, one SDA director said: "This is the trade-off:

we expect high placement rates and low costs; they (the service providers) get the freedom to take whoever they think will help them achieve that."

Thus the lack of policy direction regarding which of JTPA's eligibles most needed its services often led to substantial discretion for service providers in selecting applicants. The providers were apt to find ample use for this discretion, since the ratio of JTPA eligibles to available training slots ranged from 7 to 1 to 100 to 1, and averaged 27 to 1 over the sample sites.

By the end of the June 30 operating period, most of the field study SDAs said that not only had those most in need rarely been served during that period, but that it was not even clear if the less restrictive guidelines quoted earlier--focusing on those with "moderate needs"--were being adhered to. For example, in one major urban SDA, over 80 percent of the JTPA participants had worked at least 10 of the previous 24 weeks. In a rural SDA, only 56 percent of the goal for enrolling dropouts was achieved, while the enrollment goals for high school graduates and for those with education beyond high school were exceeded, respectively, at 157 and 247 percent. In another SDA, where three-quarters of the JTPA participants were high school graduates, outreach for new participants was occuring primarily at the local community college. Given the mandate to achieve low costs and high placement rates, and given a large pool of eligibles, JTPA program operators were disposed to be very selective.

Though the SDAs largely dismissed the goal of targeting on most in need, they did take more seriously their obligation to serve what were termed "substantial segments" of the JTPA-eligible population, such as women and minorities, veterans, the handicapped as well as other groups, depending on the makeup of the SDA's eligible population. Generally the SDAs established percentage goals for these significant segments, most often using their latest CETA participation data or population data provided by the state JTPA office. Most sites did include their targeted percentages on women and minorities in their contracts with service providers. Almost without exception the SDAs met these goals; thus the percent of women, blacks, and Hispanics served across the field sites were almost identical to the percentages in their CETA records.

Several sites did find even this level of targeting burdensome. The San Diego SDA, for example, noted that the relatively modest size of JTPA--and thus the small size of individual training programs--made it difficult to enforce percentage goals with individual contractors.

These goals thus became difficult to enforce for the JTPA program as a whole. Most SDAs, nevertheless, viewed these substantial-segment goals as relatively easy to meet. One SDA official said that since they were essentially continuations of CETA they were thus "more like minimum expectations than goals." Another official said: "It's not hard to meet substantial-segment goals so long as you can select the best people from each group. In a program the size of JTPA, you can do that."

In sum, SDAs were continuing to meet broad target goals regarding the participation of women, minorities, and other large segments of their local populations. Within those broad goals, service providers were in most SDAs free to choose those eligibles they judged most likely to succeed.

Mandated Target Groups. In addition to its mandate to serve those eligibles most in need, the JTPA legislation specifies three groups to which SDAs must offer services at a defined and quantifiable level: youth, recipients of Aid to Families With Dependent Children and high school dropouts. Presumably the federal legislators judged that these groups represented a significant enough national problem to require federally established goals on local participation.

1. Youth. The legislation requires that 40 percent of each SDA's JTPA allocation be spent on youth. Congressional staff involved in writing the legislation report that the requirement was put in terms of expenditures, rather than participants, to ensure that adequate resources were invested in preparing youth for the world of work. Congressional concern was that inexpensive and short-term services might be used to build up an impressive number of youthful participants without achieving lasting results; requiring a set level of SDA expenditures on youth was seen as an effective way to prevent that.

As the first report noted, 23, or 40 percent of the 57 field and telephone study sites took advantage of the legislation's flexibility to revise the 40-percent standard based on local demographics. The range of youth expenditure requirements at the sample SDAs for the first operational period was from 29 to 45 percent, and the average was 38 percent. Even with these reductions, some of the study SDAs expressed an early concern that the JTPA legislation, with its lack of stipends and restrictions on work experience, would not be attractive to youth.

The concerns turned into reality for a large majority of the field-study SDAs. Only eight of the 25 sites expended

90 percent or more of the JTPA funds alloted for youth. The other 17 of the sites fell short, many significantly. Fully half the field sites expended less than 60 percent of their youth allocation.

One possibility is that the shortfall in youth expenditures was simply part of a larger problem of expending JTPA funds during the initial operating period, given startup and other adjustment problems. Though that was in part the case, it does not account for the large share of the shortfall. Half the field sites did not spend their required percentage on youth even using as a percent of total actual expenditures. For example, one urban SDA spent 73 percent of its overall JTPA funds but only 60 percent of its youth funds; it had a requirement to spend 38 percent of its JTPA allocation on youth, and in fact spent 31 percent of its actual expenditures on youth.

Underexpenditures on youth, both absolute and relative, were not, however, always accompanied by a shortage of youth participants. Although two-thirds of the sites spent less than 90 percent of their youth allocation, only half of the sites enrolled fewer youth participants than planned. In fact, 32 percent of the field sites enrolled more youth than they had planned. Thus one urban SDA spent less than 60 percent of its youth allocation but enrolled 95 percent of its target number of youth. Another rural SDA spent 57 percent of its youth allocation but enrolled 85 percent of its youth target number. The Seattle, Washington SDA--one of the few study SDAs to spend 100 percent of its youth allocation--enrolled 171 percent of its target number of youth.

Thus JTPA's initial operating period resulted to a considerable extent in precisely what Congress had tried to prevent in setting the 40 percent standard: serving youth in short-term, low-cost programs. The average duration of a youth's participation in JTPA at the field sample SDAs was 12.2 weeks--almost 10 weeks shorter than had been planned. In those SDAs enrolling 100 percent or more of the planned number of youth participants, the average duration of participation was 10 weeks. The average cost per positive youth termination was $3,105, well below the federally established standard of $4,900.

The field sites, then, exhibited three fairly consistent patterns: first, they underspent their total youth allocation, often significantly; second, they generally did not spend the percentage of funds they had projected for youth; and third, they spent on average far less per youth than they projected. Where the sites diverged was in number of youth served. Half said their expenditure

shortfall resulted from a lack of youth applicants. The other half said they had no problem in interesting youth and that they simply needed to develop more program capacity in order to enroll more youth and spend their total youth allocation.

Analysis indicated only one consistent difference between those SDAs enrolling large numbers of youth and those that did not: the existence of a large in-school program component. The field-study SDAs on average had in-school programs which constituted 31 percent of their total youth enrollment. However, those SDAs that enrolled more than one hundred percent of their planned youth enrollment had in-school programs which constituted 45 percent of their total youth enrollment. In-school youth as a share of total youth enrollment at the field sites ranged from zero to 53 percent.

The in-school programs, as mentioned earlier, were with few exceptions career explorations and job-readiness oriented, aimed at high school seniors who did not intend to continue their education beyond high school. These programs, operated in most cases by the public school system, had few problems securing participants.

The youth population, besides its 31 percent in-school group, was composed 43 percent of youth with high school degrees or higher education, and 26 percent of youth who had dropped out of school. Those sites that served large numbers of youth (one hundred percent or greater of plan) had smaller-than-average youth dropout enrollment (18 percent of total youth enrollment). Dropout youth enrollment ranged from 12 to 58 percent of total enrollment at the sites. Youth with high school degrees or with education beyond high school were a more consistent feature across the sample sites. This group ranged from 31 to 63 percent of total youth enrollment.

The makeup of youth participants is also related to other aspects the JTPA program (besides the presence of an in-school program). The general lack of separate youth programming; the reliance on relatively short-duration classroom training and OJT components; and the modest use of work experience, remedial education, exemplary youth programming or multi-component programs--all these programming characteristics make it unsurprising that high school graduates and youth with education beyond high school represented such a consistently high share of the youth enrollees across the sites.

As of June 30, 1984, 15 of the 25 field sites expressed serious concern over their inability to attract youth, to

expend their youth allocation, and to meet their required percentages. Some were developing concrete strategies to overcome these concerns. Chicago, for example, said it would increase the number of community-based organizations as contractors and set an expenditure goal for youth of 48 percent. (The Chicago requirement is 43 percent.) Other SDAs also planned to increase the number of CBO-funded programs in preemployment and in work-maturity skills. A few SDAs began working with the schools to develop an in-school youth component.

Most of the SDAs, however, were not contemplating programmatic or contractor changes but said they intended to put more emphasis on establishing and monitoring contractual requirements for service providers to enroll youth. They felt that because of the late startup they had not focused on the youth targeting requirements but rather on the contractors' attaining overall enrollment levels as fast as possible. Whether this management strategy proves successful will be an issue for study follow-up.

How this management strategy affects the makeup of the youth enrollee population--the proportion of dropouts, in-school youth, and those with high school degrees and education beyond high school--will also be followed. One California SDA, for example, used CBOs to attract dropout youth and reported no problem enrolling these youths but had a significant problem retaining them. SDA officials there felt the lack of stipends for training activities was the primary obstacle to retention. An urban SDA reported a 65 percent loss of applicants between intake and the completion of the assessment process, in good part, officials felt, because of the relatively high literacy requirements of the training programs. The lack of stipends for training activities and the relatively high literacy requirements (plus their demonstrated success with in-school programming) may well push the SDAs even further away from the youth dropout population in their attempts to meet youth targeting requirements.

2. Dropouts. The JTPA legislation, as noted earlier, requires that each SDA serve dropouts equitably, taking into account their relative incidence in the overall eligible population. This requirement has no age limitation, and thus is generally interpreted to refer to all individuals eligible for JTPA who did not complete their high school education, whatever their current age and intervening work experience. It is not seen as a mandate to serve youthful dropouts, though youthful dropouts would count towards meeting the overall goal.

Many of the sites were initially reluctant to set goals for serving dropouts, as was noted in the first report. However, in most cases goals were in fact set during the initial operating period, either at the SDA or by state guidelines based on census data indicating the percent of dropouts in each SDA's JTPA-eligible population. However, development of numerical goals did not affect the programming or contracting strategies at most of the SDAs. Forty-six of the 57 total sample SDAs had no separate training programs for non-high school completers and provided only minor allocations for remedial education. Eighteen of the 25 field study SDAs did not set specific goals for enrolling dropouts in their contracts with service providers; some did include language encouraging the providers to enroll non-high school completers. Most SDAs assumed that dropouts would naturally comprise a substantial portion of JTPA enrollees, enabling the SDAs to meet the "equitable service" requirement.

The results in the field study SDAs reflected the lack of emphasis on enrolling dropouts. At the end of the first operational period, high school graduates and those with education beyond high school constituted 66.5 percent, or approximately two-thirds of total enrollees at the field-study SDAs; dropouts made up 33.5 percent, or about one-third. During 1981 CETA, dropouts had constituted 42 percent of enrollees in comparable training activities. For 18 of the 25 field sites, or 70 percent of the sample, meeting dropout enrollment goals presented, according to local officials, a substantial problem.

Though these SDAs were concerned about this shortfall, few intended to alter their training programs, contractors, or other major program components in order to rectify the situation. Some SDAs said they intended to increase the pressure on service providers, by means of adding dropout goals to contracts and monitoring enrollment more frequently. But for the most part SDAs had not yet, as of June 30, 1984, begun to devise specific strategies for increasing the enrollment of dropouts.

3. Welfare Recipients. Like dropouts, welfare recipients--or more specifically, work-ready recipients of Aid to Families with Dependent Children--are to be served "equitably" by the SDAs, according to the JTPA legislation. As the first report noted, this group is the one legislatively targeted group for which most SDAs worked to establish effective coordination with public agencies in ensuring that there was an adequate flow of recipients to JTPA. Most of the PICs were enthusiastic about providing services to welfare recipients, in contrast to their lack of interest in targeting services toward other groups.

The income support that welfare programs provide, plus the potential for other welfare-funded support services, was one source of this enthusiasm; welfare recipients were the one group of eligibles with access to support services and financial assistance that complemented the training JTPA had to offer. Another source of interest was the potential to reduce welfare rolls and costs by training and placing recipients in jobs, a major legislative goal of JTPA.

Most SDAs were successful in enrolling and serving welfare recipients. Their overall goal for the nine-month period was for 30.7 percent of all JTPA participants to be welfare recipients. This goal included both AFDC recipients, and recipients of state and local welfare programs (often called 'general assistance' or 'home relief.') Their actual performance was 34.4 percent. Five SDAs, or 20 percent of the field sample, reported that they had exceeded their goals, in terms of percent and overall enrollment numbers. Fifteen of the 25 field sites reported no or few difficulties in substantially meeting their goals. Only five sites reported difficulties in meeting their welfare enrollment goals. Most SDAs did not differentiate between general assistance and AFDC recipients in their reports to the states, and thus the study could not reliably analyze the constituency of welfare participants. However, the five sites that did make such a distinction, plus several interviews with local AFDC officials in other SDAs, indicated that in those sites AFDC recipients were being equitably served.

The SDAs attributed their success in enrolling welfare recipients largely to improved coordination with local welfare offices, ensuring a steady flow of applicants. Forty-one percent of the total sample of field and telephone survey sites said that these linkages were improved under JTPA; none of the sites reported a critical decrease in linkages. A small minority (12 percent of the sites) indicated that setting target goals in service-provider contracts was instrumental in achieving welfare enrollment goals. Thus efforts to enroll welfare recipients were carried out in the main quite differently from efforts to enroll youth and dropouts: that is, coordination with other agencies, not contract management, was the key vehicle. Those SDAs that had difficulties enrolling welfare recipients attributed their shortfalls primarily to lack of coordination. The intent at those sites was to establish better coordination with welfare and WIN offices for the next operating period.

Though welfare officials interviewed were generally pleased with the JTPA emphasis on enrolling recipients of

Aid to Families with Dependent Children, several had cautionary comments. A welfare official from a major urban area, who also sits on the local PIC, said: "The majority of our AFDC recipients go on and off the rolls--a job for a few months, then some welfare. Then repeat the cycle. I'm concerned that JTPA's short-term program is just the upswing on the cycle, and that many of these recipients will be back on the rolls again in a month or two." This official's agency had undertaken a study to determine if JTPA was having a long-term impact on those recipients who participated, and he said that initial results were not encouraging. Several other sites expressed a similar concern: that welfare recipients were being funneled into job clubs and job search activities--services which provided no technical skills on which to build a long-term career.

Despite some concern about long-term effectiveness, and the lack of reporting breakdown by type of welfare recipient, enrollment of welfare recipients was the one success story under JTPA's targeting mandates. The ingredients of that success--strong local commitment, workable coordination with other agencies, and an augmentation of JTPA funding to provide support services and income maintenance--may provide some valuable insights into how to target other groups effectively.

Achievements and Concerns

The JTPA legislation set up the initial nine-month program period as a transitional operating phase. To this effect the act says no penalties are to be assessed the SDAs for not meeting the performance standards on placement rates and cost during that period. How the SDAs and states viewed their programs' operations and results and what they saw as achievements and as concerns are important indicators of the direction JTPA will take in the future.

The areas of placement and cost were those aspects of the initial program period that most clearly met the expectations and standards of the legislation and which were most satisfying to the SDAs and states.

Twenty-two of the 25 field sites, or 88 percent, met or exceeded their goals for placement of adults into unsubsidized jobs. That goal averaged 58 percent at the field sites: placement performance averaged 70 percent. Nineteen, or 76 percent, met or excceeded their youth placement goals. That goal averaged 41 percent at the sites; actual performance was 64 percent. The placement rate goal for welfare recipients was 41 percent; actual per-

formance was 53 percent.

Cost goals were met or exceeded by similarly high percentages of the sites. The cost per placement goal was $5,900 for adults; actual performance was $3,324. The cost per positive termination goal for youth (which included the achievement of employment competencies as well as placements) was $4,900; actual cost per placement was $3,145. Thus most SDAs regarded their initial placement and cost performance as a significant achievement, one that would solidify the public and congressional view of JTPA, in the words of one SDA director, as ". . . a federal program, finally, that works."

The state oversight agencies agreed with this positive appraisal. Only one of the 15 field-sample states regarded placement results as an area of concern. Six of the 15 states, or 40 percent of the sample, felt that initial placement results had been outstanding. On no other aspect of initial operations did so many states judge SDA performance so highly.

The satisfaction with placement rates and costs was, however, accompanied by concerns. Local government representatives at several of the sites were concerned about the durability of the results; many of the placements resulted from the shortest-term services, such as job club and direct placement activities. A federal Department of Labor representative also expressed concern, noting that a key lesson learned from previous efforts and evaluations was that more substantial investments in training produced longer-lasting results. The cost results--so substantially below the federally-established goals--could be viewed as <u>too</u> low. The official placement rates were based on one day on the job, the same method utilized under CETA.

There was also concern that initial cost and placement performance would establish expectations that would make it difficult to alter programming, contractors, or targeting policies, regardless of the rationale, if such changes might lower the performance rates. At some sites this apprehension was justified, as indicated by one PIC chairman's statement that the new goal was "one hundred percent placement," and another PIC's move to have the state lower the cost standard to bring it in line with initial performance. The prevailing sentiment was that any changes that were to be made--for example, the decision at many of the sites to monitor contractor adherence to targeting goals more closely--would be modest and carried out so as to minimize impact on performance.

The other area where high performance was consistent across the SDAs, as noted earlier, was enrollment of welfare recipients. The SDAs almost without exception were pleased with that aspect of the program. Thirteen of the 15 state oversight agencies regarded welfare enrollment generally and AFDC enrollment specifically as satisfactory; two saw it as outstanding; no state viewed it as a major problem. As noted earlier, the major reservation expressed at several sites was whether the short-term services would affect welfare rolls and costs for any duration.

The SDAs and state JTPA agencies were also pleased with the general smoothness with which the program was set up and implemented. The view of the SDAs and states, almost without exception, was that the 12-month planning period was not excessive given the major structural, funding, and programmatic changes from CETA that JTPA represented. Two-thirds of the state oversight agencies were satisfied with the SDAs' manner and speed of JTPA startup; five had "moderate concerns"; none was seriously worried.

The areas of greatest concern were the enrollment of youths generally, and dropout youths specifically, and the enrollment of those individuals, whatever their age, without a high school diploma or GED. Two-thirds of the field SDAs were having problems with one or both of these targeting goals. Sixty percent of the field-sample states saw one or both of these targeting goals as at least a moderate problem, while a third saw one or both as significant problems. Given the national concern over youth employment rates and school dropout rates, it is not surprising that these aspects of JTPA operations were of concern.

Another area of widespread concern--one related to the youth-targeting problem--was overall expenditure levels. Though some of the spending shortfall was attributable to slow startup, expenditure reports indicated that by June 1984 10 of the 25 field sites were not operating at full expenditure levels. This was somewnat unexpected, given the funding reduction that JTPA represented from CETA. The underexpending sites had no clear set of shared characteristics in terms of economic environment or demographics, but did, as might be expected, all have serious shortfalls in youth expenditures. Those few sites, like San Diego and Seattle, that spent more than 90 percent of total expenditures were also the few sites that spent more than 90 percent of their youth allocation. Thus the expenditure problem was substantially related to underspending on youth.

There were a few sites where expenditure problems were not primarily a function of low youth expenditures but rather were related to low participant levels of all age groups. Each SDA with this broad problem approached it in a somewhat different way. One SDA, for example, judged that enrollee numbers were adequate but that training contractors were screening out too many applicants. This SDA ruled that training classes could not start until they were 85 percent full. Another SDA faulted outreach and recruitment efforts as well as a low needs-based payment. For that reason, the payments were raised, and consideration was given to switching the outreach and recruitment functions to community-based organizations. A third SDA decided that lack of stipends, in addition to inadequate publicity and marketing were the causes of low participant levels. The policies and practices relating to those aspects of the program were altered. No SDA was seriously worried that it could not overcome adult, in contrast to youth, underenrollment.

The remaining concerns that affected large numbers of sites were the average wage of those JTPA participants placed in jobs, and the positive termination rate for youth (placement into jobs plus attainment of employability enhancements and PIC-approved competencies). As Table II-C shows, these were the two areas of the seven federally-established performance areas where the field study SDAs did not meet performance standards.

TABLE II-C

Field Study SDA Performance, 10/83-6/84

	Federal * Standard	Actual Performance
1. Adult Entered Employment Rate	58%	70%
2. Adult Cost per Entered Employment	$5,900	$3,324
3. Adult Average Wage Placement	$ 4.90	$ 4.61
4. Welfare Entered Employment Rate	41%	53%
5. Youth Entered Employment Rate	41%	64%
6. Youth Positive Termination Rate	82%	71%
7. Youth Cost per Positive Termination	$4,900	$3,145

*Department of Labor, Issuance 3-84 (October 7, 1983).

In each of those two performance areas less than half the 25 field sites were able to meet the federal standard. Several local officials were particularly concerned about those shortfalls since, in their opinion, performance in those areas provides a strong indication of the durability of JTPA's training investment. One SDA official noted that both were areas of performance that PICs could directly impact by helping open up more primary labor market jobs to JTPA graduates; and by establishing and approving youth competencies.

* * *

The first nine months of JTPA operations were marked by an overall simplification of employment and training programming compared to CETA. This simplification related to the number and variety of training activities, to the ex-

tent and variety of support services, to the number of contractors, and to the amount of multi-component programming and duration services. These changes resulted in part from the JTPA legislation, in part from the reduced funding, and in part from local decision makers. They added up in most SDAs to a fairly smoothly functioning set of activities that produced higher placement rates and lower costs than the legislation and the states required or the local SDAs expected.

The changes also produced a program that was often not attractive to or appropriate for youth, dropouts, or for those with training, income, or support service needs beyond the limited scope and duration of JTPA. Thus the statute's targeting requirements regarding most in need, youth, welfare recipients and dropouts were, with the exception of welfare recipients, not a focus of program policies and practices and therefore not an outstanding area of program performance.

The response of the SDAs to the mixture of achievements and concerns that resulted from their initial operating period was to alter as little of the existing program as possible in order to preserve the high placement and cost performance. Procedural or management techniques were the preferred course to remedy their concerns. Whether these would be sufficient to accommodate better the legislation's targeting requirements will be a topic for follow-up.

III

The Public/Private Partnership

One of the innovative aspects of JTPA is the involvement of the private sector in the planning, oversight, and implementation of a major federal program. Under JTPA, the private sector is involved at the state level through the State Job Training Coordinating Council and at the local level through the Private Industry Council.

The appointment of the State Job Training Coordinating Councils was one of the states' first official acts. Under JTPA, one-third of the members of each Council must be representatives of business and industry. The rest of the membership includes representatives of the state legislature and appropriate agencies, local government, the eligible population, organized labor, community-based organizations, and local educational organizations.

The duties of the State Job Training Coordinating Councils include providing a broad range of recommendations to the governors, particularly on issues relating to coordination; providing management guidance and review of all state programs; and identifying the employment and training and vocational education needs throughout the state. The Councils were also charged with a number of startup activities such as the designation of SDAs and the review of the state's goals and objectives for JTPA.

At the local level, the act mandates the establishment of PICs with a minimum of 51 percent private-sector membership with the remainder of the membership consisting of representatives of educational agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the employment service. The authority for appointing the PICs is vested in local government, after soliciting nominations from local, general-purpose business organizations, in the case of private-sector members, and from the relevant public, nonprofit, and labor organizations for the other members. The act further specifies that the chair be selected from the private sector and that, wherever possible, at least one-half of the private-sector members be representatives of small business, including minority business.

The PIC is responsible for overseeing and providing policy guidance for local activities in partnership with local elected officials. While the specific procedures and responsiblities are left to be negotiated between the

partners, the act mandates that both the PIC and the local elected officials approve the local job-training plan.

This chapter will review the public/private partnerships established under JTPA at both the state and local levels. More generally, this chapter will address three basic issues: whether the partnership works, how it works, and what impact it has had on the training programs. This chapter discusses the status of these issues at both the state and local levels as of the end of the first nine-month program year.

Local Level.

The PICs were first established under CETA Title VII. Under CETA most PICs played a limited role, although in some instances they had already begun to take on the broader roles mandated under JTPA. With the passage of JTPA, however, came significant change, both in terms of the overall level of private-sector participation on the PICs as well as in the makeup of PIC membership. Seventy percent of the sample SDAs said that private-sector participation had increased under the new act, compared to CETA. Of those sites reporting no increase in participation (30 percent), 14 percent represented SDAs that had had substantial PIC involvement in programming under CETA and, therefore, in which little increase could be expected. The remaining 16 percent were split between rural SDAs where businesses were small and spread over large geographical areas where meetings were difficult to arrange, and the largest urban areas where the level of activity and funding, number of actors, and general political complexity made the PIC less likely to exert a strong influence.

Seventy percent of JTPA's PIC members had not previously served on CETA PICs. One reason for this turnover in PIC membership was that the new act required greater executive and owner participation, and many Title VII PIC members felt they could not accommodate these increased demands on their time. In spite of this all but one of the SDAs proceeded smoothly in soliciting nominations from local business organizations and appointing members on a timely basis. In one SDA, however, local elected officials rejected all of the nominees provided by the local chamber of commerce and the Employment Service and made their own appointments. This exception underscores the fact that the authority for appointing PIC members was vested in local government.

Interest and Involvement. Both the public and private sectors responded with enthusiasm to the call for a broader private-sector role. One-third of the SDA directors interviewed in the telephone survey felt that the increase in private-sector involvement was one of the most positive aspects of JTPA compared to CETA; no other aspect of JPTA received that level of support. Field research further substantiated this high level of support for the expanded PIC role.

The private sector was equally enthusiastic. No local elected officials reported difficulty in soliciting volunteers to serve on PICs. As evidence of both the public sector's willingness to involve the business community and the private sector's willingness to serve, two-thirds of the 57 sample SDAs indicated that business participation on the PICs exceeded the 51 percent mandate.

Over the course of the nine-month program year the PICs were reported to have had a continuing high level of interest and involvement in both the policy development and program implementation of JTPA. An interesting note is that the initial level of PIC involvement was reinforced over the first year of operation; that is, PICs that initially reported a substantial level of involvement were more likely to have evidenced an increase in involvement over the first year. The converse was also true, as indi cated in Table III-A.

TABLE III-A

PIC Activity and Involvement Trends

Initial Involvement	Increase	Decrease	Stable
Substantial	6	0	6
Moderate	1	2	4
Insignificant	0	2	4
	7	4	14

This table offers only a general overview of PIC activity, which will be discussed in greater detail below. The specific indicators which went into the determination of trends included the active participation of the PIC in administration, program development, and public relations

and the mandated review and approval of training plans required by the act.

Structure. Once constituted, the PIC's first function was to negotiate an agreement with the local elected officials and to select a grant recipient and an administrative entity, thus establishing the local JTPA governing structure. In over 90 percent of the sites there was little disagreement over the essential structure of the relationship between the PIC and the local elected officials. Local government retained the primary administrative responsibility at most sites, serving as both grant recipient and administrative entity in three-quarters of the 57 sample SDAs. Other combinations which included PICs, states, or CBOs taking on one or both of these roles were relatively infrequent. The structure of these initial arrangements has remained stable. Only one of the 57 sample SDAs has changed grant recipient or administrative entity.

However, beneath the generally positive response of the private sector to its role in JTPA, there are some indications of dissatisfaction. Among the private-sector individuals interviewed, there was a widely expressed sentiment that the business sector had been brought into JTPA to achieve policy and management reforms, specifically to reduce the waste and inefficiency for which CETA was criticized in the business community. Once they were involved, however, the goal of "turning CETA around" proved more complex than they had anticipated. Common complaints were that the time requirements of the PIC are excessive, and that state oversight agencies are imposing burdensome paperwork and administrative requirements.

A quarter of the SDAs reported that private-sector attendance at PIC meetings has been dropping and that large-business representatives were increasingly sending surrogates. Only one-third of the SDAs reported that private sector attendance at PIC meetings was high. Nearly two-thirds of the 25 field survey SDAs reported some changes in private-sector membership during the initial operating period. Half of the 32 telephone survey SDAs said changes in PIC membership experienced during that period were 'significant.' In addition, one-third of the total sample of 57 sites reported changes in PIC leadership. While job changes and planned resignations accounted for some of the shifts in PIC membership and leadership, the inability of members to make the necessary time commitment was cited most often. Frustration with bureaucratic procedures was also cited frequently. While doubtless some turnover is to be expected in a transitional period, it will become an issue of substantial concern if it continues.

Viability and Characteristics of Local Partnerships. Given the diversity of the SDAs studied, it is not surprising that the local partnerships varied in terms of level of cooperation and dominance of one party over the other. At the most fundamental level, however, JTPA has achieved a successful transition to the new partnership form of governance: in only one of the 57 SDAs in the study did forging a local partnership seriously impede the implementation of local training programs. The origin of that SDA's difficulty was the PIC's determination to take control of the program and to postpone enrollment and training operations until PIC members could master the employment and training process, reevaluate past policy and programs, and develop their own labor market information. The SDA partnership simply never materialized.

Generally, however, satisfactory working relationships developed between local governments and PICs, even though the development of such partnerships was rarely an easy process. Local government, with its institutions and staff in place and a long history in employment and training, came to JTPA well prepared to be a full and active partner. Most PICs were newly-constituted, and the private-sector members were inexperienced both in the nuts and bolts of managing manpower programs and in the often tedious processes of government programs.

Preparation of the PICs was therefore an important element in developing viable partnerships. The San Diego City and County SDA in California is something of a model in this regard. It was aided by the fact that it had been a designated single-area consortium since CETA was enacted in 1973. The local elected authorities were thus well positioned to undertake the transition to JTPA, and by November 1982 a three-member transition committee had named PIC members with the assistance of the local chamber of commerce. The PIC, with the assistance of local government staff, undertook a lengty process of developing goals and presenting them to the community. This process served a double purpose. It legitimized JTPA in the eyes of the community (and particularly the private sector), and it proved an excellent education process for the PIC members, who were almost all new. The PIC was then able to take charge of its own affairs.

The majority of PICs had no such formalized training or orientation process. Typically, PICs were appointed in the summer of 1983 and began reviewing training plans immediately. As a result, the relationships were worked out in the course of the planning and contractor selection processes.

Local governments which had agreed to grant PICs substantial authority were occasionally taken aback when the PICs wielded this authority contrary to the direction of local public policy. For example, in one of the urban SDAs the PIC was designated responsible for contractor selection. Faced with the need to consolidate programming, the PIC eliminated a number of contractors. Among these was an organization with close ties to the mayor and strong community support. When the city manager and the chairman of the city council considered overturning the PIC's recommendation, they were surprised to learn that they lacked such authority. The designated appeals process supported the PIC, revealed no evidence of discrimination, and upon review the city council voted to support the PIC. The controversy ended. The local government gained a clearer conception of the lines of authority under JTPA and considerable respect for the PIC's decision-making process. The PIC chair, in turn, perceived the need for more formal presentations and communications between the PIC and local government.

Similarly, PICs are being introduced to the governmental process and have in a number of instances modified their positions to accommodate other public interests. For example, in one SDA the PIC saw as a strength its freedom from the political process, which would facilitate making necessary but unpopular decisions. Over time, however, this PIC has had to abandon some of its initial independence, and act more like a public agency, soliciting input from a broader base. It has established a planning advisory committee which includes representatives from key target populations, from, public and nonprofit agencies, from civic groups, as well as members who come from the business community and local government.

As indicated earlier, the local-level partnership covered a broad continuum of arrangements. Examined from the perspective of which party wielded the authority for developing policy and program directions, the 25 SDAs in the field study were divided fairly evenly among local-government-dominated SDAs, PIC-dominated SDAs, and SDAs in which the authority was shared. Within each of these categories there are a number of common trends.

1. Government-dominated SDAs. Local governments dominated eight of the 25 SDAs included in the field sample, among them the most rural and the most heavily urbanized.

Among rural SDAs, a number of factors appeared to militate against a strong PIC role, including the logistical difficulties experienced by PIC members in attending

meetings. These SDAs were also more likely to offer individualized training programs than to contract out training to major service deliverers, in good part because such deliverers often did not exist. This practice denies PICs the type of intervention by which their counterparts elsewhere most often had a direct impact: namely, contractor selection.

Over two-thirds of the major urban SDAs included in the field sample were dominated by local government. The sheer size of employment and training programs in field sites such as New York, Chicago and Detroit represents a major obstacle to significant PIC activity. In these sites employment and training programs were politically significant, and local elected officials were unlikely to yield control. Most PIC members in those highly urbanized SDAs felt that at most their role was reactive--to respond to the policies and plans presented by local government.

The New York City PIC is something of a special case. Under CETA Title VII, the New York City PIC developed a program of employer-based training. This was retained at the same level under JTPA, accounting for 13 percent of the JPTA budget. The PIC is still very involved in administering and marketing this program. As such it is more active than most of the other large urban PICs, but only in a carefully defined area.

2. PIC-Dominated SDAs. Those SDAs with strong and active PICs--eight of the 25 field survey sites--frequently reported that local government interest in employment and training declined with the end of CETA public-sector employment and with the general reduction in funding. However, in contrast to the largely reactive role played by PICs in the government-led SDAs, local goverment was likely to be active, even if in a supporting role. Given that local governments are both grant recipient and administrative entity in 75 percent of the SDAs, this was to be expected. Often the local government role in these SDAs took the form of staff functions such as of contract preparation, report preparation and other administrative duties, and rarely involved local elected officials.

The North Metro, Massachusetts SDA offers an interesting caset example of a PIC-dominated SDA. The SDA was newly constituted under JTPA. As with many strong PICs, the chairman has made a major commitment of time and effort to JTPA. Few PIC chairs, however, have had the public-sector experience of the North Metro chairman, who has served as secretary of economic affairs for Massachusetts. His views of the employment and training system are representative of other PIC chairs in the study: it is "too fat,"

burdened with paperwork, and should be run more like a business. He also shares with most private sector PIC members a great antipathy for CETA.

The chairman's view that the SDA should be run as a business predominates the entire SDA. While the PIC functions primarily as a board of directors, it also provides guidance on labor market issues, and, in contrast to the general practice of PICs in the field study, has been involved in developing the content of some training programs and providing guidance on contracting. The lead government official, the city manager of Cambridge, thus far has acquiesced to PIC leadership and involvement in implementation issues.

North Metro lies at the high end of the continuum of PIC dominance. Although the staff is technically responsible to the joint PIC/LEO Board, in reality the government role is modest. The SDA has been conducting an extensive search for a new director. A significant indication of the approach being taken in North Metro is the fact that the new director may well be drawn from outside the employment and training system, and perhaps from the private sector.

In most PIC-dominated SDAs, local government is more involved. In Westchester County, New York, for example, the partnership theoretically defines the PIC chairman and county executive as equals. In practice, though, the PIC takes the lead and the county executive typically signs off on PIC-developed policies. The only issue on which the local elected official has apparently used his leverage was to protect the position of community-based organizations as contractors. Local government, on the other hand, has retained its role as grant recipient and administrative entity. Thus at the lower levels of management and administrative functions, local government still plays a role.

Representatives of several of the more active PICs expressed a desire to become even more involved. The time required to do so, rather than local government unwillingness, is in their view the primary obstacle.

3. Shared-Authority SDAs. The nine SDAs of the 25 in the field study that fell into this category show a great diversity in structure of organization. However, the PIC more often than not takes a policy leadership role; local government retains the ability to intervene on policy or implementation issues in which it has strong interests. Not surprisingly, the most frequent interventions are those in which local government perceives the need to

defend its political interests.

A common feature among these SDAs was that the perspective of local government coincided so closely with that of the PICs that serious policy differences had not occurred. For example, one rural SDA, a former CETA balance-of-state area with a newly constituted PIC, reported that local government officials function as de facto PIC members. The PIC manager for the SDA is considered accountable to both the PIC chair and the chair of the local elected official.

The presence of long-term relationships between the individuals involved meant that the focus of the transition period was on redefining training goals rather than on delineating authority. This approach did result in a significant reorientation of local job-training programs away from 60 percent skills training to 70 percent on-the-job training. The introduction of JTPA did not, in this instance, reflect the impact of increased private-sector involvement, but rather the shift from a purely state-managed program to one with the necessary local input--both public and private--to develop a high level of on-the-job training.

The Buffalo consortium had a different approach. That SDA divided responsibilities in such a way as to reinforce the PIC's role as a representative of the business community and the local government's role as an advocate for the participants. It is an institutional structure with a potential for conflict that has not yet manifested itself. In practice, the PIC and local government work closely, and do not disagree on many issues. The relationship has been further cemented by the crossover of former local government staff to work for the PIC. Public and private roles in this SDA do not represent a dramatic departure from those which existed under CETA.

* * *

The processes by which the SDAs developed their organizational structures ranged from the careful planning of the San Diego SDA to the more usual approach of ad hoc negotiations on specific issues. The partnerships are, after the initial operating period, still being worked out. However, the various partners were, in the great majority of SDAs, satisfied with the overall division of authority. This was true both for those SDAs in which there was a sharing of authority and for those where one partner took a strong lead. Local elected officials who

took secondary roles were often the biggest supporters of their PIC's positions. Similarly, weaker PICs rarely sought a more active role. This was particularly true of the private-sector membership in these PICs.

A strong indication of satisfaction is that the agreements detailing the relationships established initially appear stable. With only two exceptions in the 57 sample SDAS, in fact, no significant changes have occurred or are anticipated. Fifty-five of the 57 SDAs reported that PIC/LEO agreements had been or would be renewed without significant changes.

PIC Activities. This section will outline some of the activities in which the PICs showed greatest interest. The PICs generally reflected their business sector members by focusing on "bottom line" issues such as cutting costs and boosting placement rates. The study generally found that the business representative majority did in fact shape the policies and practices of the PICs. Furthermore, the PICs preferred to function as boards of directors, avoiding day-to-day functions in favor of setting broad policy directions. The two exceptions to this rule, which will be discussed below, were in reserving the authority to make contractor selections and participating in public-relations activities. The following section will review both the areas in which the PICs were most active and the directions in which they were most likely to push policy.

Management. Ninety percent of the total sample of 57 SDAs reported moderate to substantial PIC involvement in management issues, making this the most common area of PIC interest. The PICs approached participation in JTPA at most study SDAs as an opportunity to apply business principles to a federal social program.

The PICs' interest in management was particularly focused on reducing expenditures, and on streamlining management and accounting procedures. PICs generally favored reducing or eliminating support service expenditures and needs-based payments. As reported earlier, these policies were adopted at most SDAs.

Another management approach that received broad support from the PICs was the establishment of performance-based contracting, which paid service deliverers a fixed price for each participant placed in regular employment. Performance-based contracting was in effect at 17 of the 25 field sites. This method of payment placed a great premium on high placement rates and low-cost training programs. It also tended to minimize centralized functions as con-

tractors were responsible for their own intake, assessment, and placement.

A notable variation on performance-based contracting was developed by one midwestern SDA. In order to limit the tendency of performance-based contracting to lead to "creaming," the SDA established variable payment scales that offered more money for placing harder-to-serve participants. SDA policy was that one-half of the payment would be released on the day placement was made, and the rest held back until the participant had remained on the job for six months. This system attempted to ensure that both the needier segments of the population got served, and that placements endured. Such an approach was the exception in the study SDAs.

Another management area in which PICs took an active interest was in the selection of contractors. Three-quarters of the SDAs reported significant PIC involvement in contractor selection. By retaining control over this task, the PICs had direct intervention through which they could implement changes in the provision of employment and training services. Many SDAs reported that attendance at PIC meetings increased noticeably when contractor selections were being made.

Program Content. PICs widely favored on-the-job training and occupational classroom training over basic and remedial education, work experience, tryout employment and the exemplary programs for youth specified in the legislation. The high placement rates that could be achieved through on-the-job training were particularly attractive to the PICs.

The PICs were also generally less interested in multi-component programs that encompassed two or more training strategies for the same participant. Programs that, for example, provide participants with remedial education and/or skills training leading to tryout employment are longer and more resource-intensive than straight on-the-job training or skills training. Most PICs did not support these efforts and preferred simpler, shorter, single-activity programs.

The PICs did not in general favor programs targeted to specific populations. Three-fourths of the 57 SDAs reported little or no PIC interest in targeting policies. Where there was interest in targeting, the focus was generally on ensuring that minorities and women were adequately served. Rather than seeking the participation of the hard-core unemployed in JPTA, PICs tended to see the act's eligibility standard of economic disadvantage as the

extent of targeting necessary. The PIC chairman in one SDA described the SDA's policy as "top of the barrel enrollment." He, and several other PIC chairpersons interviewed, indicated that the business sector would not be so involved in JTPA if ". . . its (JTPA's) purpose was social work. Plenty of poor people need jobs; we're not looking for anybody with more problems than that."

Public Relations. The PICs expressed a high level of interest in undertaking public relations work for their SDAs. Nearly three-quarters of the SDAs reported that the PIC members played a significant role in JTPA marketing activities. The focus of these activities was the business community. No significant PIC activities were reported that attempted to reach those eligible for JTPA, including those SDAs with significant shortfalls in enrollment.

A central issue for the PICs in undertaking public relations was the decision to devote JTPA's limited funds to such activities. There were a few PICs, such as Contra Costa, California, which budgeted JTPA funds for marketing. However, the majority of PICs focused on volunteer activities, such as making presentations for local chambers of commerce and similar organizations. PICs also developed and funded radio and television campaigns, job-a-thons, and the printing of brochures and promotional materials.

The Larimer County, Colorado PIC took a particularly active approach. Beginning in 1979, the Larimer County PIC expanded its activities beyond CETA Title VII activities to direct the SDA towards meeting local employer needs and increasing the involvement of local businesses. The PIC initiated a Job Developers' Network, which included business roundtables and an annual employers conference. One of Larimer County's objectives was to streamline services to businesses and to eliminate multiple appeals for jobs from different programs, a common occurrence which annoyed local employers. By reaching out to the private sector in a coordinated manner, Larimer County Employment and Training Services feels it has increased business participation in employment programs significantly.

Labor Market Information. During the initial phase of JTPA considerable interest was evinced by the PICs in developing labor market information for use by the SDAs in developing training programs. Twenty of the 25 field survey PICs reported establishing internal committees to create strategies for improving labor market information. By the end of the first program year, PIC activity in this

area had decreased. Despite the initial interest, most PICs ultimately turned to the traditional sources for obtaining such data: the Employment Service, other government agencies, and local universities. Eight of the 25 PICs had undertaken employer surveys to determine trends in local hiring needs. Most of the SDAs reported that these surveys were disappointing either because the response was insufficient or because they revealed little additional information beyond what was already available.

Overall, the impact of PICs on developing labor market information was limited. SDAs rarely reported that training strategies were significantly altered as a result of PIC input. There were exceptions. North Metro, Massachusetts reported that the PIC had been useful in modifying labor market findings. The PIC had pointed out certain occupations that, despite indications of immediate need, were likely to be phased out due to advances in computer technology.

Job Development. Job development represents an area of some PIC interest but little activity. Included in job development are PIC efforts to develop employer-based customized training. Most efforts in this area were broad public relations activities rather than targeted ones aimed at individual employers.

Public-sector and nonprofit PIC representatives, as well as some SDA staff, expressed disappointment at the low level of PIC activity in the area of job development. Specifically they were disappointed that PIC members had not provided job slots within their own companies. This failure was felt to undermine some of the public relations work.

From the PIC members' perspective, several reasons for not hiring JTPA participants were cited. A number of employers were reducing their own work forces and doing little hiring, or were subject to conflict-of-interest rulings, while others wanted to wait and observe the quality of the JTPA training programs. Nevertheless, given that PICs often included representatives of the SDAs' major employers, this unwillingness was seen by many SDA officials as an obstacle to attracting other major local employers.

Only two SDAs reported successful PIC activity in developing employer-based training. The North Metro, Massachusetts SDA was working on a customized training program with a PIC member who represented a local bank. The New York City PIC already had extensive experience developing customized training programs. Under CETA, the New York City PIC used Title VII funds to provide customized

training for local employers. The PIC was successful in marketing its services, and maintained these activities under JTPA. This resulted in a complex JTPA structure in New York City, where the PIC administers its own portion of the funding as a program operator, while taking a much more reactive role regarding the SDA's other programs. Nevertheless, through its own work, the PIC has achieved considerable visibility in the private sector and has established a substantial amount of customized training, a goal which has proved elusive for most SDAs.

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Local Government Activities. As indicated earlier, in the majority of SDAs (75 percent) local government retained its initial role as administrative entity and grant recipient under JTPA. As such, the primary functions of local government included planning, monitoring, and oversight. The greater experience and institutional capacity of local government was the primary determinant in assigning these functions to it (as were PIC concerns regarding liability). Another role typically assigned to local government was to develop linkages with public-sector agencies.

Staffing. The roles of local government staff have remained fairly constant under JTPA. Moreover, where PICs took on the administrative functions of JTPA (10 percent of the SDAs) there was a high crossover of staff so that the day-to-day operation of JTPA was being handled by the same, if smaller, staffs as CETA had been.

Staff planning functions were reported to be the hardest hit by the limits on administration--a problem compounded by the need to meet state deadlines. While most SDAs met these deadlines, meeting them was felt to be at the expense of adequate preparation, and 40 percent of the SDAs were unable to have programs operating by October 1, 1983. Several SDAs reported that insufficient staff capacity had resulted in the elimination of more innovative programming.

Many PICs expressed dissatisfaction with the ability of staff to serve their needs. Although complaints were rarely serious, they were widespread. The most frequent issue was that an insufficient amount of time was allowed for the PICs to review plans. Several PICs reported that they had only a few days to review the SDA's two-year plan and only one meeting for discussion and approval. SDAs in which the PICs took the lead fared better.

Public Sector Linkages. These will be described in greater detail in later chapters; however, they represented a major function of local governments.

Local governments reported a high level of tension with the states. One-third of the SDAs in the telephone survey reported that issues regarding state-local relationships were among those aspects of JTPA potentially most detrimental to the delivery of services. Of that third, about one-half emphasized transition problems, including the inability of the states to provide timely answers regarding allowable activities, and difficulties in meeting deadlines. Other complaints were that the states demanded excessive paperwork, and that they were unable to provide satisfactory technical assistance.

Local governments were also responsible for managing coordination with other public agencies. There was, as the following chapter recounts, a broad range of activity within that function. The involvement of local government in coordination activity often varied in response to state policy, particularly with regard to the set-asides. Thus several SDAs reported that local JTPA links with the educational system were slight on account of the state's direct dispersal of the eight percent funds without local involvement. However, coordination criteria which required joint planning and/or proposals, such as those in Massachusetts, resulted in greater involvement.

Policy Directions. Local government exhibited a broad range of policy concerns, making it difficult to generalize about a local government perspective on policy. Local governments in PIC-dominated SDAs, or where authority was shared with the PIC, tended to follow the policy interests of the private sector.

Local government was more likely to raise policies relating to particular groups of participants. Local elected officials were generally more concerned with targeting policies and the impact of JTPA on those most in need of governmental assistance. However, these concerns often did not translate into JTPA programs significantly more targeted; government officials too judged that JTPA was not structured or funded to deal with the structurally un employed.

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In assessing the activities and interests of PICs and local governments, there appears to be a divergence. PICs

concentrated on encouraging those policies and practices that serve the needs of the local labor market for entry-level workers. Beyond that they showed a strong preference for efficiency, stressing low cost per placement and on-the-job training over other training strategies.

Local governments tended to be more concerned with targeting policies and those issues relating to the eligible population. They were more likely to be concerned with entrance criteria, targeting policies, and in monitoring the flow of participants.

However, when examining the impact of the local public/private partnership on the provision of services under JTPA, there was no strong correlation between the authority of a given partner and the actual JTPA programming or its results. It would seem reasonable to expect government-dominated SDAs to have a greater tendency to target programs for those segments of the population facing greater obstacles in finding employment. The public sector has, after all, a greater immediate interest in training the hard-core unemployed and long-term welfare recipients, given the draining effect these populations have on public monies. In fact government-dominated SDAs are not doing a greater amount of such targeting than are PIC-dominated SDAs.

Similarly, little correlation can be found between PIC strength and increases in on-the-job training. By subsidizing training and by responding to an immediate demand for employees, on-the-job training programs serve the needs of the local labor market more directly than do many other training activities. Again the movement towards increased on-the-job training was far broader in scope--including many government-managed programs--than could be accounted for by increased private sector-involvement in planning and contractor selection.

Thus, while JTPA has shifted the focus of employment and training towards the needs of local labor markets, it is difficult to conclude that this shift is primarily a result of the increased involvement of the private sector. The local partnership appears to play a secondary role in shaping the services provided under the act. The structure of JTPA itself, particularly the emphasis placed on performance standards, and the reduced funding level, appear to be a greater determinant of the change in focus.

State Level

The public/private partnership at the state level is structured through the State Job Training Coordinating Councils. As recounted in the first report in this series, the appointment of the Councils proceeded on a timely basis and experienced little difficulty in meeting the act's participation requirements for the business sector and other mandated representatives. As compared to the State Councils under CETA, the State Job Training Coordinating Councils tended to be larger, had more private-sector members from higher levels of management, and had little overlap with previous CETA-Council membership.

The councils were generally reported to have had a significant input in the initial planning phases of JTPA. The Pennsylvania council, for example, presented the governor with a list of approximately 35 recommendations for the governor's Coordination and Special Services Plan. According to state staff, virtually all of these recommendations were incorporated into the new plan. Council input was not always so well received, but 60 percent of the states surveyed reported that the Councils had an active role in setting initial policy directions.

A number of state councils were involved in setting state performance standards. The Kansas State Job Training Coordinating Council was particularly concerned with establishing additional standards relating to the participation of minorities and welfare recipients, as well as targeting expanding industries. In New York, the Council directed staff to establish more stringent guidelines for affirmative action, and it is still working on implementing this policy.

These policy initiatives reflected the input of the state councils as a whole. The input of its business representatives on specific issues was more limited. Less than a quarter of the states cited instances where business representatives had successfully pushed for particular policies.

Both the Florida and California Councils indicated strong private-sector influence in promoting fixed-price, performance-based contracting on a statewide basis. The California Council was also involved in clarifying audit issues and issuing detailed guidelines. Another policy initiative by business members of several state councils was ensuring that the state was responsive to local PICs.

However, the major activities of the State Job Training Coordinating Councils were in developing initial state

plans and setting coordination criteria. Once this work was completed, state councils indicated that they had difficulty in maintaining business membership involvement. The councils are charged with a number of ongoing duties, primarily the review of SDA plans, the state Employment Service plans, and the plans of other state agencies involved in employment and training. In addition, they are expected to comment on vocational education needs to conduct statewide coordination activities. Field work indicates that these activities are undertaken primarily by staff, with the involvement of those public-sector representatives with specific agency interests. The councils, which generally meet once every two months, were unlikely to become more involved with such ongoing duties as the evaluation of individual SDA plans. Discussion regarding the Employment Service, Vocational Education, and other public agencies tended to be dominated by those members closely involved with the public sector.

Only one state of the 15 states in the field survey, Florida, reported an increase in private-sector involvement at the state level over the first year. This was also the only state that indicated that the private sector took the lead in State Job Training Coordinating Council activity. With strong support from the governor the council has been working towards maximizing the PIC's role at the local level. Private-sector involvement in councils was reported to have decreased in six of the 15 states.

Having assisted the states in setting initial broad policy directions, the current role of the State Job Training coordinating Councils appears limited. There appear to be few ongoing roles for the private sector at the state level because the primary state functions at present are in activities such as coordination, technical assistance, monitoring, and oversight.

The issues and concerns of the states do not appear to support a high level of private-sector activity. Despite an increase in private-sector membership on the state councils, few policy decisions have been initiated by these representatives, and their impact has been limited. Furthermore, whatever participation was evident during the formative stage of JTPA is now decreasing, and the trend seems likely to continue.

IV

Public Agency Coordination

Background and General Overview

Coordination of JTPA policies and services with those of other public agencies is a major goal of the JTPA legislation. Several reasons for this goal are cited by those involved in drafting the act. First, coordination presents the opportunity for a more integrated use of reduced federal social program dollars. In addition, better coordination may reduce any duplicated programming that exists in federal programs. In some localities an additional benefit would be to expand employment-related services in agencies which typically do not offer a wide variety of such services, for example, state-funded public and vocational education systems.

The JTPA legislation provides several tools to promote public agency coordination. First, it requires each state, through the governor and the State Job Training and Coordinating Council (SJTCC), to establish "criteria for coordinating activities" to which individual SDA plans will be held. The states are responsible for evaluating both the SDAs' and the Employment Services' plans and activities, to ensure that they meet the criteria. The act provides various set-asides that can be used by state JTPA agencies to build coordination between agencies: eight percent for education, six percent for incentives or technical assistance, and three percent for older workers. The JTPA amendments to the Wagner-Peyser Act, which governs the public Employment Service, sets aside 10 percent of that act's funds for performance incentives, for services to special groups, and for exemplary programs. These amendments also require coordination of Wagner-Peyser activities with JTPA activities at the local level. Since the JTPA legislation gives priority to services for youth, school dropouts, and welfare recipients, there is an incentive for cooperation with local and state agencies serving these groups. In addition an amendment to the Social Security Act requires coordination of WIN activities with services provided by the SDA.

Reports from the first field visits indicated that governors, State Job Training Coordinating Councils, state JTPA offices and SDAs agreed with the concept of coordination, but that it took a lower priority than the need to establish the SDAs, the PICs, and to review and implement initial training plans. State criteria consisted mainly

of requiring either written agreements between SDAs and public agencies or a description of SDA's plans for furthering coordination. Such agreements usually formalized existing de facto mechanisms for cross-referral of clients as well as established patterns of information sharing. Thus, initial SDA coordination agreements and plans did not extend public agency coordination beyond what had existed under CETA. As that report noted, it was too early to assess either the shape coordination would take or the feasibility of stated intentions.

State Policies

The pattern of the states' requiring agreements and plans from the SDAs, but little in the way of substantive joint programming, has continued through planning for the next operational period. A substantial majority of the JTPA state agencies still claim coordination to be a major state goal, but most judge that they do not have the staff resources to monitor the operational viability or effectiveness of the various coordination agreements submitted by the SDAs. One state JTPA director said, "We ensure the proper papers are here. Beyond that, we just don't have the staff capacity."

There are several exceptions to this pattern, constituting five of the 15 states in the field survey. Colorado requires the SDAs to take several steps towards coordination of services. The state requires each PIC to undertake a survey of "providers" and "consumers" of employment and training services, detailing what services are provided by whom, to whom, and what is required from agencies that would feed clients into such programs. Specific attention to the subjects of youth and welfare recipients is required, although overlap is expected since welfare and education are both providers and consumers. The PIC/SDA training plan is to reflect the survey in identifying and filling gaps in services through agreements with appropriate agencies, specifying financial and nonfinancial coordination and/or new program designs. When plans were reviewed by the Colorado State Job Training Coordinating Council, SDAs not meeting these requirements were only granted interim approval for program implementation until they complied.

New York State also required precise agreements between PICs and SDAs with a number of public agencies, including Social Services, Youth Bureau, economic development agencies, Job Service, Offices of the Aging, Vocational Rehabilitation, and Criminal Justice Planning. The agreements must stipulate which services are to be provided by

each agency. While many of these agreements often reflect relationships developed during CETA, the state coordination requirements are credited for putting them on a more formal basis. The SDA plan must also show that its activities are not duplicating existing services in other agencies. Before receiving the governor's approval, each SDA's training plan and coordination agreements are reviewed by a committee of representatives of state agencies (who serve principally as advocates of various target groups). The focus on coordination is reinforced by several pieces of state legislation: one requiring social services districts to submit employment and training plans that demonstrate coordination with JTPA; one modifying work rules for public assistance recipients receiving training under JTPA; and a statewide Schools to Employment Program (STEP), modeled after the CETA Youth Entitlement Incentive Demonstration Program. To receive state funds for the STEP program, SDAs must show a viable coordination with the public school system.

Massachusetts, Kansas, and Florida have also moved aggressively to further coordination. Massachusetts continues to see the PICs as centerpieces of local area coordination, and provides incentive grants for which joint planning is required with the appropriate local agency. State level task forces are also vehicles for working through broader requirements for joint planning and reduced duplication of services. For JTPA operations beginning July 1984, local SDAs and ES offices held joint public hearings on their plans; and joint planning has begun with welfare offices.

Kansas also required specific coordination agreements between PICs and local Job Service Centers and Social and Rehabilitation Services offices. The Kansas State JTPA Council continues to be critical of the lack of tangible progress, and plans to make coordination a focus of state workshops in the coming year. Florida decentralized the Employment Service, consolidating local offices with local JTPA offices. The State is also working to establish a statewide program diverting welfare funds into OJT contracts to be written by the Employment Service with private industry.

State Use of Set-asides. The various set-asides of funds established by JTPA for state use provide additional opportunities for the states to encourage coordination between public agencies. In Michigan, the state is planning to use all the set-asides (a total of 22 percent of JTPA funds) on programs which support economic development. In Colorado, the State Council, struck by the fragmentation resulting from multiple requirements for the various set-

asides, is considering issuing a single set of requirements for the set-asides geared to filling community service gaps and furthering public agency coordination.

Most states, however, work with the individual set-asides and have not taken the more integrated approaches of Michigan and Colorado.

1. Wagner-Payser 10 percent set-aside

Of the 15 states reviewed, three reported programming part of the Wagner-Peyser 10 percent specifically for Employment Service coordination with JTPA. Texas has reserved funds for model JTPA/Employment Service projects and funded Rural Capital Texas SDA for the addition of two Employment Service centers in the nine county area served by the SDA; those centers do intake for all local employment and training services. Illinois put 30 percent of the 10 percent set-aside towards colocation of Employment Service and JTPA offices and for positions at the state level supporting coordination. Colorado used one third for colocation expenses and the establishment in each SDA of Employer Relations Coordinating Councils.

A few states used 10 percent set-aside monies to bring Employment Service priorities more in line with JTPA. Massachusetts and Florida have established performance awards for Employment Service offices serving specific client groups (in Massachusetts AFDC recipients, minorities, and dislocated workers) and the Massachusetts Department of Employment Security has provided funds to local offices specifically linked to working with more AFDC recipients. In the other ten field survey states 10 percent funds were not yet specifically tied to JTPA coordination goals at the end of the first operational period. In one state, attempts to expand the Employment Service through the addition of JTPA-funded staff were vetoed by the governor as adding to the state bureaucracy, whose size he was trying to reduce.

2. Eight percent set-aside

Coordination is an explicit goal of the eight percent set-aside of each state's JTPA allocation: to "provide services for eligible participants through cooperative agreements" between state education agencies, SDAs and local education agencies, requiring a match from state or local education agencies. The use of these funds to further programmatic coordination at the SDA level has been limited; SDAs in seven of the 15 field study states see current state use of the set-aside as contrary to the goal of coordination.

In five states there is no involvement of the SDA in planning or approving eight percent funds. In two states, SDA involvement is minimal. In these seven states, which delegate use of the set-aside funds to the community college and public school systems, with no required SDA input, the state JTPA agency has created hard feelings at the SDA level. SDAs have no input, approval or even notice as to how these funds are spent in their own geographic area.

Other states have instituted various forms of partnership in the use of the eight percent set-aside. Vermont, a single state SDA, has the state education agency administer the funds, but remains a partner in the substantive planning process. New York and Pennsylvania have programs in which a formula allocation is made to each SDA, which produces a plan that must be approved by the state education department. Texas also allocates eight percent funds to the SDAs, which have an agreement with the Texas Educational Agency for technical assistance; funds have to be matched by local vocational education funds. Florida allocates to local education agencies, but requires PIC planning and approval of programming.

Massachusetts established a state level task force to determine the use of the eight percent funds, which resulted in a process whereby PICs and local education agencies submit proposals to meet gaps in local services. The North Metro study SDA proposed additional learning centers for remedial education to complement SDA training activities and thus allow the SDA to serve a high need group.

The Massachusetts example was, however, the exception. Only four of the 25 field study SDAs, and only three of the 32 telephone survey sites, reported that the state use of the eight percent set-aside encouraged local programming for dropouts or youth with serious educational deficiencies.

3. Six percent set-aside

Six percent of each Title II-A state allocation is set aside for governors "to provide incentive grants for programs exceeding performance standards, including incentives for service hard-to-serve individuals," or for technical assistance to SDAs not qualifying for incentive grants. Two of the 15 field study states used a portion of these funds explicitly to further agency coordination. Pennsylvania added coordination with economic development efforts and employment security offices to the categories for which six percent incentive funds will be awarded. Massachusetts used six percent funds for its state Part-

nership Office, which provided technical assistance specifically for packaging programs between public agencies, PICs and the private sector.

Two SDAs did note that their state's addition of hard-to-serve populations--handicapped, offenders, veterans, etc.--in the performance standards required for receiving six percent funds has furthered their efforts to work with other local agencies, at least for referrals.

4. Three percent set-aside

The act sets aside three percent of Title II-A for employment and training services to older workers "in conjunction with service delivery areas." By and large the three percent set-aside for older workers has remained with the state JTPA office, working out programs for older workers cooperatively with appropriate state departments or transferring funds to those departments. Four of the 15 states had still not decided how to use these funds as of June 1984. In four other study states the three percent set-aside is put out by formula to the SDAs with the requirement that it be spent on programs for older workers.

Generally there was only modest interest in state JTPA offices on the use of the three percent set-aside. Usually there was no specific staff person, or reporting system, whereby the programmatic use of these funds could be systematically documented and assessed.

In sum, state use of the various set-asides to promote administrative, programmatic or policy coordination between JTPA and other public agencies was at best modest. Many state JTPA staff directors continued to believe that use of these set-asides in a coordinated manner would increase over time, as the basic JTPA operations became stable. Even this optimism, however, was tempered by the judgment that there was inadequate staffing at either the state or SDA level to carry out the often time-consuming process of coordination.

State Agency Coordination. Four of the 15 states had established cabinet or subcabinet task forces to work through coordination opportunities and difficulties at the state level: Colorado, Arizona, Washington and Vermont. In Illinois, full time positions to work on JTPA issues have been established in relevant agencies, some paid for from JTPA funds. Except for Colorado, these task forces had not yet had an impact on JTPA programming. In Colorado the Human Services Policy Cabinet instituted an innovative form of technical assistance to help break down

barriers between public agency coordination at the local level. After setting out detailed coordination requirements for the SDAs, including joint planning, the State sent out to each SDA teams made up of personnel from the Employment Service, the State JTPA office, WIN, Veterans Administration, State Education, and State Board of Community Colleges and Occupational Education. The teams interviewed local service managers to determine barriers to coordination. The teams reported back to the Cabinet, which heightened the members' awareness of the barriers, and where they could take action. The teams continue to provide assistance to SDAs on coordination, especially with their own agencies.

Elsewhere coordination at the state level has reflected each state's particular priorities. Massachusetts established several problem specific task forces (welfare, education, older workers). A state level agreement resulted in the transfer of $1.6 million welfare employment and training funds to the JTPA office to be used by SDAs to provide intake and assessment for AFDC registrants. Further agreements have been made to reduce the duplication of services and providers, and to arrange individual tracking of AFDC recipients in the JTPA programs. In Vermont, Kansas, and Florida, the Employment Service and JTPA have been or are being merged: Vermont as a single state SDA, Florida in a process of decentralization. In Kansas, eight percent funds were used to exchange staff between education and JTPA. In Michigan, the State Council focused on the use of all the set-asides on programs supportive of economic development efforts: six percent went directly to the Department of Commerce, and the state JTPA director sat on the state economic development task force. Florida attempted to link welfare and JTPA in a welfare diversion program; the South Carolina JTPA office worked with the state education agency to set up statewide system of remedial education programs; and in Pennsylvania the welfare department trained its own staff on JTPA. Texas established JTPA as the first source for hiring under Community Development Block Grants and began joint studies with the education department on how to change the vocational education system and the welfare department on workfare.

In general, the state criteria for SDA coordination, the use of set-asides, and state level agency coordination were still in the majority of states at the formative stage. A few states advanced coordination significantly, but these states had usually begun such efforts before JTPA's inception. In other states specific agreements and plans may be laying the groundwork for collaborative arrangements, with operational reality yet to come.

Coordination at the Local Level

In addition to requirements or incentives provided by the state, other factors favor local coordination. The overall reduced funding of social services; the priority given in JTPA to youth and welfare recipients; the existence of arrangements developed during CETA (characteristic of four-fifths of the 57 study SDAs), and strong local leadership have pushed towards greater coordination between JTPA and public agencies at the SDAs.

The first report noted that collaboration requiring no or minimal resources, policy or operational changes, such as cross referral agreement and information sharing, were most easily maintained or put in place. Meaningful coordination developed primarily through activities focused on particular groups of individuals, such as welfare recipients or youth. This continued to be the case. What follows reviews local coordination efforts of the SDAs with key local public agencies.

Employment Service. Of 25 field study SDAs, seven had maintained or initiated significant coordination activities with the Employment Service. Several were moving strongly to the merging of ES and JTPA; in Vermont, a single state SDA is fully merged; in a portion of the Kansas II SDA, and in Larimer County, the Employment Service and JTPA are colocated and administratively merged with one administrator serving for both agencies. The Employment Service is the administrative entity and a primary contractor for JTPA in Richland County, South Carolina.

The San Diego County SDA has developed significant coordination with its local Employment Service. The two agencies have developed a demonstration program to put welfare recipients in jobs through a job search conducted by the Employment Service, with work experience and/or OJT provided by the SDA. The agencies are also jointly involved in San Diego's downtown revitalization effort; in a state-funded program for training unemployment insurance recipients; and in a summer youth employment program. The Denver SDA has joined in an Employers Relations Council sponsored by the Employment Service.

In other SDAs, the relationship between the Employment Service and SDAs was characterized by cross-referrals, Employment Service membership on the PIC, and contracts for particular services--not substantially changed from CETA. In these SDAs there was little evidence that further coordination would occur.

Welfare. The priority given by JTPA to service welfare recipients, particularly AFDC, and the requirement under WIN requiring coordination with SDAs, has provided the impetus for more coordination between welfare departments (variously named) and SDAs. Of the 25 SDAs, 13 have coordinated programs with welfare departments which go beyond cross referral.

In New York City, the Department of Welfare and the Department of Employment (JTPA) have worked out agreements whereby JTPA slots are set aside for welfare recipients, including eligible foster care youth and home relief recipients. One million dollars for the provision of child care to JTPA participants was transferred from the SDA to the Welfare Department.

The Buffalo-Cheektowaga-Tonawanda Consortium, using six percent funds targeted for welfare recipients, has located intake staff in social services offices in order to streamline services. In Chicago, Welfare handles paperwork in return for JTPA taking clients, a mutually beneficial collaboration worked out at the staff level. Chicago Welfare Department also helps the SDA locate youth by referring to the SDA AFDC recipients turning 18. The Rural Capital Area of Texas has established an effective reciprocal working relationship with Welfare in which eligible recipients are referred to the SDA, and JTPA clients in need of services are referred to Welfare.

Despite the progress indicated above, coordination with welfare was not always easy to achieve. In one SDA, the local Department of Social Services will not provide information on AFDC recipients to JTPA on the grounds of confidentiality. In another SDA, referral mechanisms are in place, but entrance criteria for training programs are so high that most welfare clients do not qualify. Elsewhere, different rules on eligibility and monitoring make negotiation difficult. In the estimation of representatives of study SDAs where coordination with welfare exists, such coordination reflects pre-JTPA middle management arrangements, reinforced by the need to share under conditions of reduced funding and the priority given to welfare recipients as JTPA clients. State level coordination requirements or incentives have played a limited role.

Economic Development. The first report stated that linkages with economic development activities or agencies had increased under JTPA as compared to CETA. During the second set of visits, half of the study SDAs continued to list economic development as a priority. Perhaps the most vigorous effort was in San Diego, where the SDA worked

with contractors to provide JTPA participants with training geared to a projected 10,000 jobs opening in a downtown redevelopment scheme. Six SDAs report "first source" agreements with local economic development or community development block grant agencies. In Tampa, the SDA is housed within the economic development agency and CDBG funds are used to provide health and child care to clients. New York City's previous informal referral agreements with seven local economic development agencies have been formalized under state requirements. In Genesee/Shiawasee, Michigan, six percent funds secured from the state for programs targeted to the hard-to-serve were used to contract with the Chamber of Commerce to conduct business and industry marketing and job identification activities in each county of the SDA. Given the high unemployment and affirmative action concerns in Detroit, the SDA uses JTPA staff to monitor the placements of JTPA clients in projects funded with urban development action grants.

In several SDAs, such as the Buffalo Consortium, Larimer County, and Cambridge (now part of North Metro in Massachusetts), substantial coordination with local economic efforts had already been undertaken under CETA. The Buffalo Consortium SDA, in an area of high unemployment, but led by a vigorous PIC developed during CETA, is considered one of the area's primary economic development organizations. Larimer County also uses its job training system as a lure to new businesses.

But in most study SDAs, including several mentioned above, the process of wedding the training opportunities of JTPA to the economic development process had not yet produced significant activities or results. In some SDAs, the fragmentation of jurisdictions or of economic development efforts in general made such coordination difficult. Where such collaboration did progress, it took strong leadership from either the private sector or local government officials. The field visits indicated that this was the one area of coordination where further progress and results might be expected.

Education. Over 50 percent of the study SDAs cited coordination with education and vocational education as a priority area for coordination. Such coordination was spurred by the emphasis given to youth under JTPA. On the other hand, such coordination was made more difficult by the overall reduction in JTPA funds, particularly for work experience and for the administrative costs such collaboration usually required. The reduction in work experience generally resulted in abandoning employability programs combining school and work in favor of shorter-term transi-

tion programs for high school seniors.

A potential source for financing local collaboration between the SDA and local education agencies was the eight percent funds set aside under Title II-A. As indicated earlier, most states did not use those funds to produce such coordination.

Public schools, vocational schools and community colleges continue to have substantial contracts in over half the SDAs for specific classroom skill training. In general, however, little joint programming has developed between SDAs and education agencies to serve dropouts, or more educationally deficient youth.

Larimer County: One Model of Coordination

Larimer County in Colorado has achieved a significant level of coordination. It is the model which the State of Colorado is promoting throughout the state. In essence all providers and consumers of employment and training services have signed agreements with the SDA specifying their contributions to a system of many services. For the client, there is one intake, at colocated Employment Service and JTPA offices, leading directly into assessment and the development of an employability plan drawing on all available public resources. In addition to training and placement services supplied by the Employment Service and JTPA, mental health offices provide counseling; welfare offices provides day care; public schools provide GED; vocational schools provide classroom skills training, etc.

One of the keys to this integrated system was the active involvement in 1979-81 of the PIC (under Title VII). Annoyed by the many calls they received requesting job placements, the business community through the PIC undertook an assessment of community employment and training programs and put together an Employer Relations Coordinating Council and Job Developers Network. Agreements were reached to share information on job placements and clients. Job developers from member agencies function in effect as account executives; if an order cannot be filled with an organisation's own clients, it is made available to the others. Employers are satisfied with fewer calls and with the greater likelihood that their order will be satisfacorily filled. This arrangement put pressure on all services to present qualified candidates and provided the impetus to integrate the entire range of human services. The result is an array of training opportunities with a wide range of available support services.

Whether the Larimer model can be instituted elsewhere is yet to be seen. It developed in the favorable climate of a rural SDA with a relatively small and homogeneous population. Its experience suggests that strong local leadership and considerable time are necessary (but perhaps not sufficient) to achieve such coordination and integration.

Factors Affecting Coordination

Since the first set of visits for this study there has been an increase in activity with respect to coordination. But while agreements, plans and information flow between agencies at the state and local levels increased, the achievement of substantive programming which integrated resources to better and more efficiently serve participants was not substantial except in a few sites. Coordination remained in many cases at the level of written agreements. From interviews in the sample SDAs and state offices a number of characteristics emerge which made coordination among public agencies difficult to achieve:

o Multiple jurisdictions within the SDA, particularly with respect to educational and economic development efforts, increase the difficulty of working out viable coordination efforts. Many actors bring about time demands and/or multiple political considerations which make coordination unlikely.

o Contracting with vendors on a performance basis makes service providers reluctant to delegate intake, placement or other services to other parties.

o Agency goals or regulations often differ on eligibility, expense rules, performance requirements and other key areas. Resolving these differences usually requires strong support from the state or federal level.

o The act requires considerable cooperation in local programming already by mandating that PICs and local governments work together. Further coordination, one SDA director said, "could turn JTPA into a web of complexity, without clear authority and direction." Several other SDA spokespersons stated that they felt coordination requirements to be an invasion of local prerogatives on how to manage the JTPA program best.

o Finally, there is the question of time and resources. For many SDAs, working with a strengthened PIC; getting programs operational with reduced resources; setting up monitoring systems appropriate to performance based contracting and state requirements; responding to RFPs on set-asides; have all required extensive planning and oper-

ational management, for which administrative funds are reduced compared to CETA. Unless there is a clear gain to be made, or clearly-prescribed penalty, there is little incentive for SDAs to pursue coordination with other agencies.

The effective coordination that has occured at the study sites has most often been initiated and powered by strong leadership and financial incentives. Development of the Larimer County model, for example, was originally supported by a federal grant.

Under JTPA the federal government has done little to assist coordination; the job has been left to the states. One SDA director said, "The ability of the governor to lever coordination was one of the chief reasons for building such a strong state role into JTPA. So far the state has not come up with much that really benefits local PIC planning or JTPA operations, and that would stimulate coordination." Now that the initial demands for reorganizing the employment and training system have been met, there should be more opportunity for states to provide the leadership to develop useful coordination.

V

Oversight and Direction

The JTPA legislation defines state government as the primary vehicle for overseeing SDA programs. Establishing administrative and financial rules and processes; directing the use of the three-, six-, and eight-percent set-asides; reviewing and approving SDA plans for adherence to the federal legislation, regulations and state-initiated rules; carrying out regular program monitoring and providing technical assistance--all these are functions assigned to the states. The federal government, which prior to JTPA had carried out most of these functions when they concerned local employment and training operations, would, under JTPA, play a significantly reduced oversight role. This chapter addresses two issues: first, the extent to which the shift in oversight from the federal to the state level of government has occurred; and second, the perceived benefits and liabilities of whatever shift has taken place.

* * *

The item on which all local and state JTPA representatives agreed without exception was that the federal Department of Labor was playing a minimal role in overseeing JTPA. As one JTPA state representative pictorially characterized the new federal role: "It's as if they [the Department of Labor] dropped off the face of the earth." The other sample states without exception agreed that the federal presence had been nonintrusive, to say the least.

There was, however, widespread concern that this lack of involvement would not extend to the auditing process. No state believed that the federal audit process could be as noncommittal and noninterventionist as the Department of Labor had been on program and policy issues to date. Thus the states continued to promulgate rules and procedures to the SDAs as if the federal role would become more authoritative and certain once audits began. One said: "Auditors are there to find mistakes. That's their job. They do not operate in a ruleless job. To a great extent we're guessing what those rules will be."

In spite of their audit concerns, a third of the states thought that the role played by the federal Department of Labor's central office in Washington, D.C. was in general

a positive force in building the new JTPA program. These states did not see the need for more programmatic assistance or guidance beyond their continuing contacts with the department's regional offices.

A quarter of the states judged the central Department of Labor role, or lack of it, as a negative force in JTPA planning and early operations. These states felt that the federal government had basically not drawn on or applied the experience and knowledge it had gained in previous operations and evaluations in order to assist or direct initial JTPA efforts. One state administrator said: "It's as if nothing ever happened before JTPA. No knowledge gained, no lessons, no nothing. And that's just not true. Second, shifting the relationship between levels of government is one thing; letting one level drop out is another."

Forty-two percent of sample states felt it was too early to judge the central Department of Labor role as either negative or positive. In their view, some useful federal input had been lost; some flexibility for the states had been gained; and that to date the benefits and losses had just about balanced out.

The states had a more positive view of the activities carried out by the Department of Labor's regional offices. No state viewed their role as negative. Half said their regional office had been helpful, and half viewed it as neutral in impact. Several of the state representatives indicated that regional staff were to some degree operating with their hands tied, given the lack of direction from Washington, D.C. But these same representatives said that regional staff had been helpful by letting them know how other states were dealing with specific problems, and by helping them "play the smart odds," as one put it, in guessing which policies and practices might not be adequate for federal audits.

The states' views on the federal role in JTPA--whether positive, negative, or neutral--were views on what they all agreed was a lack of federal activity. No state or local official criticized the federal government for playing too active a role in any respect. Thus it seems clear that the federal Department of Labor has consciously and successfully carried out its vision of the new federal role in employment and training programming, and this role is a very modest one indeed.

The transfer of substantial oversight responsibilities from one level of government to another was not, of course, done simply for the sake of change. The enormous

effort required by such a fundamental shift would, policymakers projected, bring about important benefits. There would be reduced local reporting and paperwork. Also, oversight would be carried out closer to where actual operations were taking place, leading to more informed decisions. Finally, increased efficiency in dealing with local policy issues would result by virtue of having many distinct bureaucracies do what one large bureaucracy had done in the past. After nine months of operation, the evidence is mixed regarding these benefits. Though it is too early to claim any clearcut results from the transfer, several issues bear watching.

First, the single most common complaint of the SDAs--expressed by 36 of the 57 sample SDAs, or 64 percent of the sample--was that reporting and other administrative requirements were under JTPA more burdensome than they had been under CETA. This complaint had also been voiced by many of the SDAs at the time of the first-study field visit. This time it was expressed by more SDAs, more critically. More PIC members became aware of and involved in the SDA/state relationship during the initial operating period, and many expressed strong resentment against the level of administrative oversight being exercised by the states.

State officials replied with several explanations. Some noted that local SDA staff who under CETA compiled special reports and analyzed performance were among the first local staff to be cut when JTPA's reduced administrative funds went into effect. The SDAs, these state representatives said, will want to go to the states for such special reports and analyses; thus the states collect ample information so that they can produce the various management reports they expect to be requested. "Our reporting requirements," one said, "substitute not only for federal reporting under CETA but also for all the locally generated stuff. You wait--soon the SDAs will want special analyses. They would complain if we didn't have them."

The second consideration was uncertainty over what information might become necessary to satisfy federal demands made during an audit or otherwise. "The federal government," one official explained, "has so few JTPA reporting requirements that at some point policymakers in Washington will want more. We'll have it."

Third, most state administrators felt that federal JTPA reporting requirements provided inadequate information on which to base an analysis of program performance and that the administrators needed more information to carry out their expanded oversight roles. Several state officials

noted that local SDA officials, seeing the modest federal reporting requirements, assumed that local reporting would be used to fulfill federal requirements. He said: "They forgot that the feds, for the most part, are out of it. The states are holding the bag, and we'll require what we have to, to avoid dropping it."

Several state officials expressed the judgment that a more sophisticated, national system of JTPA reporting would have avoided much of the confusion and would have provided a better base of information for comparing operating policies and performance. Currently the states vary widely in the information and reports they require from the SDAs.

Thus tension over that part of the oversight function relating to administrative rules and reporting requirements continued and in fact increased over the first nine months of JTPA. It was an area where many state officials felt there should have been more thought given to a less radical transfer of responsibility between the national and state levels of government, a transfer which took better advantage of the unique position and perspective the national government has to understand and communicate about national programs like JTPA.

An area of modest improvement over the nine-month period was the level and quality of technical assistance offered by the states to the SDAs. Two-fifths of the 57 SDAs said they had sought and received satisfactory state assistance on specific issues. Slightly more than a third of the SDAs said they had unsuccessfully sought assistance on specific issues from their state JTPA offices. The ratio of satisfied to unsatisfied technical assistance requests was tilted to the negative at the start of JTPA; thus, from the SDA perspective, state technical assistance capacity had improved.

In fact, 40 percent of the states had increased that capacity, by staff and consultants, over the initial operating period. It appears to be an area that will continue to improve as states build or buy capacity and knowledge. The only negative effect of such improvement is that it is financed primarily out of the six percent set-aside for technical assistance and incentives. As assistance improves, the pool of incentive money--and the states' ability to leverage local money for targeting innovative or coordinated programming--is further reduced from its already modest base. Only a quarter of the states used six percent monies to encourage innovative programming or targeting by the SDAs, and several SDAs commented that the amounts were too small to qualify as much of an

inducement.

This very modest use of six percent funds to influence or direct substantive policy--viz., programs or targeting --was part of a larger trend in the oversight of JTPA. As the first report noted, only a moderate number of the sample states--five, or one-third--attempted to provide substantive direction or incentives. At least part of that reluctance was attributable to the fact that use of the various set-asides had not been decided on in a majority of the states. However, the first nine-month period did not show the expected increase in state influence on local substantive policy: fewer than half the sample SDAs reported state use of any of the three, six, or eight percent set-asides to induce programming or targeting by the SDAs. Only 20 percent of the SDAs reported state use of the 10 percent Wagner-Peyser set-aside to encourage special programming or targeting by the SDAs in conjunction with local Employment Services. Overall, two-fifths of the sample states had increased their efforts to promote targeting during the initial operating period; three-fifths decreased their efforts. Though none of these efforts was major to begin with, overall trend seemed to be toward a lessening of state involvement in substantive program policy.

The federal Department of Labor, consistent with its low-profile approach to JTPA, offered no formal substantive direction or assistance. Its staff continued to take the position in conferences and speeches that little of the past was useful or relevant and that no substantive direction could be offered from it. Thus the JTPA oversight function, as carried out by the federal and state governments, included only scattered and modest efforts at substantive direction. The SDAs were therefore left largely to themselves in fashioning program and targeting policies; and, as detailed in Chapter II, with that freedom they chose to operate relatively straightforward programs having a minimal variety of training modes and services, including relatively few innovative or experimental projects, and very few targeted toward particular groups. Given the SDAs' difficulties with meeting youth and dropout targeting goals, the brief duration and low cost of their programs, and the widespread admission that those eligibles with better education and work histories were being systematically selected for JTPA participation, it is possible that state oversight agencies will reverse the current trend of lack of involvement in substantive policies. Forty percent of the states said creaming was a moderate concern after the first nine months; 60 percent said they thought the issue was being handled satisfactorily at the SDA level. None thought it was a significant

problem; also none thought it was being dealt with so well as to allay all concerns. There was, however, as of the June 1984 field and telephone surveys, little evidence that a reversal in the states' approach to substantive policy was actually taking place.

The area besides reporting and technical assistance where the states increased their activities during the initial operating period related to coordination among public agencies. The first report noted the modest extent of state involvement and oversight regarding public agency coordination. Given the statute's emphasis on such coordination, the report anticipated that the states would increase their activities--in the form of regulations, reporting, monitoring, and assistance--to better meet that emphasis. In fact, field reports indicated that six of the states, or 40 percent of the sample, had increased their coordination activities in some respect. No state decreased its efforts. However, as the previous chapter reported, such coordination activities had not yet produced substantial results. All parties agreed that except for welfare/JTPA coordination, where the benefits were so clear to each institution, other coordination efforts would not show results so quickly.

Economic development was most often mentioned as an area of coordination where state leadership would be forthcoming. Some SDA officials noted that continued state push in this area would act to restrain state efforts to establish more effective targeting and anti-creaming policies, since effective coordination with economic development agencies usually depended on JTPA's providing a reliable, experienced, and trained workforce.

The oversight and direction provided by the states under JTPA was thus heavily oriented toward administrative matters, reporting, and public-agency coordination. Very modest attention was being given to establishing substantive policy direction or to the use of the various set-asides to encourage programmatic or targeting changes at the local level. Though a majority of the states were concerned about SDA performance regarding creaming, youth, and dropout enrollment, the states were not disposed as of June 1984 to fashion any strong measures to improve performance on these issues. Like the SDAs, they would for the present rely on increased monitoring and other management tools to improve those aspects of performance. They were very pleased with the placement and cost results, and were hesitant to initiate policy directions that might impact negatively on those results.

VI

Conclusion

The JTPA legislation embodies numerous changes--institutional, programmatic, organizational, governance--from its predecessor, CETA. It contains new goals regarding targeting groups of individuals, and new goals regarding job placement rates and program cost. It reduces significantly the overall federal funds available for employment and training activities. In short, JTPA represents a significant departure from CETA, in many respects.

The legislation does not, of course, set out a clear list of priorities accompanying these numerous changes stating which ones are most important to achieve. Neither does the legislation openly state that some of its goals may not be achievable harmoniously, but may have to be balanced, one against the other, until an acceptable and workable equilibrium between their tension points can be found.

Responses to these issues of priority and balance among the various changes and goals prescribed by JTPA were worked out during the initial nine-month operating period. They were worked out with little substantive guidance from the federal Department of Labor. State oversight emphasized administrative procedures and requirements. Though it would oversimplify to say that these issues of priority and balance were left solely to local decision makers, it does not exaggerate to say that those issues, whose resolution formed the structure of the program, were left largely to the newly formed local partnerships--local government and PIC--to negotiate and decide.

It is at first blush surprising that the diverse group of SDAs in the study sample could have resolved these issues with so much consistency and uniformity. Their priorities consisted of achieving high placement rates and low costs, ensuring a smoothly operating program, and maintaining an interested and involved business sector. The targeting goals of the legislation were generally not rigorously pursued, with the notable exception of welfare recipients. The coordination goals were pursued only to a limited extent, and rarely as a priority in and of themselves. There were of course variations and exceptions to the above, but what stands out in the national sample is the similarity, not the diversity, of approach and results in JTPA's initial operating period.

This similarity appears to have been driven by three basic factors. The first was the poor reputation of CETA, particularly among many business and political leaders. Local groups were eager to establish a new and positive image for JTPA, and a sound strategy to accomplish that was to emphasize in JTPA those things for which CETA was often criticized: administrative shortcomings (sometimes leading to fraud), inadequate placement and cost performance, and generally weak relations with the business community. CETA's reputation with many local business groups was also that it targeted excessively on hard-to-serve groups and provided too many support services and too much "make-work" or "dead end" work experience. There was little incentive, in terms of image-building, to emphasize any of the above aspects in the new program, and certainly some incentive to de-emphasize them.

A second key factor in promoting similarity was the reduced funding appropriated under JTPA. For most areas it was the lowest level of federal employment and training funds in the better part of a decade, at a time when the number of economically disadvantaged stood at an all-time high. Moreover, further reductions might take place as part of federal efforts to balance the budget; some feared JTPA might be "zeroed out." It was not a time when experimentation, demonstration, complexity, or tackling the toughest possible problem seemed to offer much reward. Achieving "bottom line" performance seemed a more secure route.

A third factor was those aspects of the legislation that received national attention. Performance standards, business involvement and welfare reduction were the aspects of JTPA emphasized by the executive branch of government to the media, the states and the SDAs--JTPA as a tool for finding ways to deal with high dropout rates or high youth unemployment was not emphasized, in spite of the legislation's 40 percent expenditure requirement for youth. The local programs tended to respond to this informal priority setting.

The business-sector representatives involved in JTPA were the most enthusiastic and least ambiguous about setting priorities among JTPA's multiple goals, but they did not appear to be the critical factor in the shape the program took. Even in SDAs where business participation was weak, similar decisions were made regarding priorities and goals. Local governments, though more troubled about the choices made, were in the end compelled by the same considerations of image building, modest funding and national emphasis.

The above forces produced results--in terms of placement, cost, program duration, and targeting--that went well beyond, both positively and negatively, the expectations of any of the JTPA decision makers at all levels of government. The performance reflected well the local policy choices. The choices made and results achieved were not so antithetical to the interests of the states and federal Department of Labor that they provoked any serious concern. Even the serious shortcomings in youth targeting have not produced serious policy responses or program changes.

Whether and to what extent the limited responses planned at the SDA and oversight levels to remedy early shortcomings in targeting and other areas will be adequate is a major issue for study follow-up. Also, whether the SDAs can maintain their achievements in private-sector involvement and in placement and cost performance while targeting more effectively on youth and less job ready individuals is another major issue.

There are also several exogenous factors which could influence future JTPA programming and policy directions. The strength of local economies, the level of JTPA funding, and any legislative changes which might be made are the major such factors. Local economies were, almost without exception, expanding and hiring during the initial JTPA operating period. Job openings, particularly ones calling for the technical training to be offered, were generally good and in some locations were plentiful. Expanding economies also provided some stimulation for business interest in JTPA's training services and subsidies. To what degree less robust local economies might affect JTPA program operations, especially in their increasing reliance on on-the-job training and in their need for greater youth participation, will be an issue for study.

A reduced level of funding also generates numerous issues that could impact on local policy directions, operations and performance. Officials at several SDAs already have said that the existing level of funding makes a JTPA program with multiple services and with structures specially designed to attract and serve targeted groups like youth and dropouts, less attractive. The latter approach is more expensive to design, administer, and operate and is less likely to serve and place large number of applicants, than the current approach. Yet that approach is one of the alternatives available to SDAs as they try to improve their targeting performance. A further reduction in federal employment and training funds might make it even more difficult to carry out this alternative effectively.

Federal legislative changes are another outside factor that would by definition impact on local programs. The only area of initial performance that might cause such a congressional initiative is that regarding youth.

The transitional period is over. It established some clear strengths and weaknesses for JTPA as the major federal tool to combat the nation's problems in preparing the economically disadvantaged for jobs. The next operating period will more clearly define JTPA's role and the extent of its usefulness.

REPORT FORMAT

for

JUNE 1984 JTPA FIELD VISITS

SDA: _____

State Report Included: Yes ____ No ____

Field Analyst _____

Visit Dates: _____ to _____

Date Submitted: _____

SDA _____
Analyst _____

REPORT FORMAT: Local Operations

A. Local Government/PIC Relationship

1. Would you characterize the local government/PIC relationship as (choose as many as apply):

   a. Fruitful, in the sense that local policies and practices benefit from the different viewpoint of each partner? _____

   b. Counterproductive, in that the partners' different viewpoints do not result in viable policies and practices? _____

   c. Onesided, in that the relationship is dominated by the viewpoint of:
      local government _____
      PIC _____

   d. Harmonious, in that the partners rarely have different viewpoints? _____

Provide supporting analysis or example:

SDA _____
Analyst _____

2. a. Assess the overall interest and involvement of the business membership of the PIC as of June, 1984.

Substantial _____
Moderate _____
Insignificant _____
Other _____

b. Assess the change in overall interest and involvement of the business membership of the PIC over the first nine months of JTPA operation.

Increased _____
Decreased _____
Stayed the same _____

c. Describe the involvement of the business membership on the PIC as of June 1984 -- and note any changes that have occurred over the first nine months of JTPA -- regarding the following:

i. Attendance at PIC meetings

ii. Administrative issues

iii. Public relations and marketing

iv. Targeting policies

v. Support service policies

SDA _____
Analyst _____

vi. Types of training

vii. Contractor selection

viii. Labor market information

ix. Program entrance criteria or practices

x. Program cost

xi. Performance standards

xii. Other ( )

3. Have there been changes over the first nine months in:

(a) PIC membership? Yes_____ No_____

Describe:

SDA _____
Analyst _____

(b) PIC leadership? Yes_____ No_____

Describe:

4. Has there been any change in:

(a) Administrative agent? Yes_____ No_____

Describe:

(b) Grant recipient? Yes_____ No_____

Describe:

5. Have other organizations, entities or relationships had an important influence on the workings or policies of JTPA at the local level?

Yes_____ No_____

Describe:

6. Describe and assess any other factors you feel are important to the local government/PIC relationship and not adequately covered by the above questions.

SDA _____
Analyst _____

B. Public Agency Coordination

1. Characterize and describe the status of JTPA's coordination with local public agencies. In the description note the influence if any of State activity, particularly State coordination criteria, State use of 3,6,8 and 10% setasides, and State agency coordination activities.

	Does coordination with this agency represent a significant or priority aspect of local JTPA operations?	YES	NO
a.	Welfare Describe:	____	____
b.	Economic Development Describe:	____	____
c.	Employment Service Describe:	____	____
d.	Education Describe:	____	____
e.	Vocational Education Describe:	____	____

f. Other ( ) ____ ____
Describe:

g. Other ( ) ____ ____
Describe:

2. Describe any factors affecting local coordination generally not adequately covered above.

C. Community Based Organization Involvement

1. Is the SDA utilizing or intending to utilize CBOs for any particular function or functions as part of an overall service or targeting strategy? (e.g., outreach, assessment, youth programming, work experience, etc.)

Yes_____ No_____

Describe:

2. Describe the level of overall JTPA funding to CBOs as providers of services for the period beginning 7/84.

____ <10% ____ 10-25% ____ 25-50% ____ 50-75% ____ 75-100%

3. Describe any change in the level or nature of CBO involvement as JTPA service providers from the initial JTPA operating period (10/1/83 - 6/30/84) to the operating period beginning 7/1/84.

State _____
Analyst _____

REPORT FORMAT: State Involvement

A. State Legislature

1. Has the State Legislature played an active role in JTPA during the first 9 months of operation regarding:

Agency coordination	yes_____	no_____
Targeting policies	yes_____	no_____
Oversight	yes_____	no_____
Other ( )	yes_____	no_____

Describe:

B. Governor's Office

1. Has the Governor played an active role in setting policy directions under Title II-A regarding:

Types of Training/Service	yes_____	no_____
Targeting	yes_____	no_____
Agency Coordination	yes_____	no_____
Other ( )	yes_____	no_____

Describe:

State _____
Analyst _____

C. State Job Training Coordinating Council (SJTCC)

1. Has the SJTCC played an active role in setting Title II-A policy directions?

yes_____ no_____

Describe:

2. Has private sector participation on the SJTCC

a. increased over the past 9 months? _____
b. decreased over the past 9 months? _____
c. stayed about the same? _____

3. Has the private sector membership on the SJTCC influenced the development of any particular policy directions?

yes_____ no_____

Describe:

D. Oversight and Administration

1. In what State agency is Title II-A administration located?

ES _____
Welfare _____
Economic Development _____
Labor _____
Other _____
Name other _____

State _____
Analyst _____

2. Has JTPA's location changed since October 1, 1983?

yes_____ no_____

Describe:

3. Has the State changed its role over the first 9 months with respect to:

	Expanded Role	Decreased Role	No Change
a. Target Group Policy	_____	_____	_____
b. Services Policy	_____	_____	_____
c. Technical Assistance	_____	_____	_____
d. Reporting Requirements	_____	_____	_____
e. Monitoring	_____	_____	_____
f. Coordination Criteria	_____	_____	_____

Briefly describe the notable changes:

State _____
Analyst _____

4. Have any State agencies undertaken policies or programs which have furthered JTPA's public agency coordination goals?

   a. Welfare _____
   b. ES _____
   c. Economic Development _____
   d. Education _____
   e. Vocational Education _____
   f. Other _____
      specify_____

Describe:

5. Briefly describe the State's use of JTPA's various setasides, and check yes or no whether or not the setaside is being used to promote targeting towards particular groups of JTPA eligibles.

	YES	NO
a. 10% ES setaside	_____	_____

Describe:

b. 8% education setaside	_____	_____

Describe:

State _____
Analyst _____

	YES	NO
c. 6% TA and incentives	_____	_____

Describe:

d. 3% older worker setaside	_____	_____

Describe:

6. Is the State using

a. DOL's performance standards _____
b. Regression methodology _____
c. Other _____

Describe:

7. Has the Governor prescribed performance standard variances?

yes_____ no_____

Describe:

State _____
Analyst _____

8. How does the State characterize JTPA activity Statewide over the first nine months regarding:

	Significant problem	Moderate problem	Satisfactory	Outstanding
a. Overall Enrollment	_____	_____	_____	_____
b. Youth Enrollment	_____	_____	_____	_____
c. Dropout Enrollment	_____	_____	_____	_____
d. AFDC Enrollment	_____	_____	_____	_____
e. Creaming	_____	_____	_____	_____
f. Operationalizing programs	_____	_____	_____	_____
g. Local Reporting	_____	_____	_____	_____
h. Job Placement	_____	_____	_____	_____
i. Local/State relations	_____	_____	_____	_____
j. other ( )	_____	_____	_____	_____
k. other ( )	_____	_____	_____	_____

Describe significant problems or outstanding activities:

State _____
Analyst _____

9. Describe the State assessment of the Department of Labor role in JTPA, both at the Washington, D.C. and regional level.

a. Washington, D.C.

Positive _____
Neutral _____
Negative _____

Provide examples:

b. Regional

Positive _____
Neutral _____
Negative _____

Provide examples:

SDA _____
Analyst _____

REPORT FORMAT: Participants and Services

(All numbers for time period October 1, 1983 - March 31, 1984, except as otherwise noted).

1. Total individuals:

		Numbers Eligible	Participation Goal (10/1-6/30)	Number Participants (thru 3/31)	Goal (7/84-6/85)
a.	AFDC	_____	_____	_____	_____
b.	Youth	_____	_____	_____	_____
c.	Dropouts	_____	_____	_____	_____
d.	_____	_____	_____	_____	_____
e.	_____	_____	_____	_____	_____
f.	_____	_____	_____	_____	_____
g.	Total	_____	_____	_____	_____

Discuss reasons given for any shortfalls, both overall and by group, and explain where there are no numerical goals.

SDA _____
Analyst _____

Describe and assess any actions or policies undertaken to remedy the shortfall.

2. a. Has the SDA defined individuals or groups it considers "in special need" or "most in need" of JTPA services in its area?

Yes _____
No _____

b. What is that definition?

c. How is the SDA encouraging or ensuring that those it defines as "in special need" or "most in need" of JTPA services actually receive JTPA services?

SDA _____
Analyst _____

3. Has the SDA imposed general eligibility criteria (e.g., 7th grade reading level) beyond the JTPA statute's income criteria?

Adults: yes_____ no_____
Youth: yes_____ no_____

Describe:

4. To what extent is JTPA training for adults, and that for youth, operated as separate programs?

Completely separate _____
Somewhat separate _____
Not separate _____

Describe SDA rationale for separation or lack of it:

5. a. Is there separate programming for school dropouts?

Yes _____ No _____

Describe:

b. Are special outreach efforts made for school dropouts?

Yes _____ No _____

Describe:

SDA _____
Analyst _____

6. Describe the SDA policies and/or actual practices regarding JTPA programming offered to adults vis-a-vis the following issues. Provide participant and dollar numbers. Note any changes in policy or practice that have occurred.

   a. Training mix, or kinds of training (e.g., skills training, OJT, direct placement, job clubs, etc.).

   b. Multi-component programs (e.g., job search followed by training).

   c. Training duration (e.g., any SDA policy or practice regarding the length or training or particular kinds of traiing, and actual average length.)

d. Remedial education

e. Work experience

f. Needs-based payments

g. Other

7. Describe the SDA policies and/or actual practices regarding JTPA programming offered to youth vis-a-vis the following issues. Provide participant and dollar numbers. Note any changes.

SDA _____
Analyst _____

a. Training Mix

b. Multi-component programs

c. Training duration

d. Work experience

e. Tryout employment

SDA _____
Analyst _____

f. Remedial education

g. Needs based payments

h. Percent of training funds dedicated to youth

8. Assess and describe the importance of the following factors in the SDA selection of training programs.

a. Suitability for "most in need" populations

Important _____
Moderately Important _____
Not Important _____

SDA _____
Analyst _____

b. Availability of job openings

Important _____
Moderately Important _____
Not Important _____

c. Other

Important _____
Moderately Important _____
Not Important _____

9. Assess the level of use, providing dollar amounts wherever possible, and describe the services contracted by the SDA from the following categories of service deliverers for the 10/83 through 6/84 period. Describe reasons for any change for the period beginning 7/84.

a. Employment service

	Major JTPA contractor?	
10/83 - 6/84	yes ____	no ____
7/84 - 6/85	yes ____	no ____

SDA _____
Analyst _____

Major JTPA contractor?

b. JTPA training contractor

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

c. Private trade/ technical schools

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

d. Private business

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

e. Community colleges

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

SDA _____
Analyst _____

Major JTPA contractor?

f. Junior colleges

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

g. Public schools

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

h. CBOs

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

i. Other

10/83 - 6/84 yes ____ no ____
7/84 - 6/85 yes ____ no ____

SDA _____
Analyst _____

REPORT FORMAT: Roles of Federal, State and Local Governments and Private Sector

1. Write a 2-3 page double-spaced discussion of how the above parties are defining and carrying out their newly-prescribed roles, and the assets and liabilities that these new roles have brought about in carrying out the JTPA program.

SDA _____
Analyst _____

REPORT FORMAT: Balance Achieved between Serving Labor Market Needs and Participant Needs

1. Write a 2-3 page double-spaced discussion of the SDA's resolution of the above issue, analyzing the various factors involved and the positions of key actors.

SDA _____
Analyst _____

REPORT FORMAT: Coordination Between Public Agencies

1. Write a 2-3 page double-spaced discussion of the SDA's approach to and achievements regarding this issue, analyzing the various incentives and constraints, and roles of key actors.

SDA _____
Analyst _____

APPENDIX B

TELEPHONE SURVEY

1. Has there been a change in the JTPA grant recipient?

   yes ____ no ____ If yes, specify. _____

2. Has there been a change in the local administrative entity?

   yes ____ no ____ If yes, specify. _____

3. How would you judge projected enrollment vs. actual enrollment for the 9 month program year (10/1/83-6/30/84)?

	Over-enrolled	On Target	Somewhat underenrolled	Seriously underenrolled
a. AFDC	_____	_____	_____	_____
b. Youth	_____	_____	_____	_____
c. Dropouts	_____	_____	_____	_____
d. Total	_____	_____	_____	_____

Discuss reasons given for any shortfalls or overruns, both generally and by group:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

4. Describe and assess any actions or policies undertaken to remedy the shortfall.

5. a. How, if at all, has the SDA defined individuals or groups it considers "in special need" or "most in need" of JTPA services in its area?

b. How is the SDA encouraging or ensuring that those it defines as "in special need" or "most in need" of JTPA services actually receive JTPA services?

6. The JTPA statute states that WIN-eligible AFDC recipients and school dropouts are to be served on an "equitable basis." What efforts is your SDA undertaking to carry out that mandate?

a. AFDC Recipients: _____

_____

_____

_____

_____

_____

_____

_____

b. Dropouts: _____

_____

_____

_____

_____

_____

_____

_____

7. Does the SDA direct the use of the 10% window of eligibility allowance for non-economically disadvantaged individuals to any particular target groups?

yes ____ no ____ If yes, which groups?

_____
_____
_____

8. a. What percent of Title II funds is your SDA required to spend on youth programs? _____%

b. What percent of Title II funds were actually expended on youth programs as of 6/30? _____%

9. Did the SDA apply for an increase in the percent of JTPA funds that can be used for support services?

   yes ____ no ____

   a. for what reason _____ b. was it approved _____

10. a. Have there been any changes in PIC leadership?

   yes ____ no ____

   If yes, describe:_____

_____

   b. Have there been any significant changes in PIC membership?

   yes ____ no ____

   If yes, describe:_____

_____

11. a. Assess the current interest and involvement of the business membership of the PIC as of June, 1984.

   Substantial _____
   Moderate _____
   Insignificant _____
   Other _____

   b. Assess the change in overall interest and involvement of the business membership of the PIC over the first nine months of JTPA operation.

   Increased _____
   Decreased _____
   Stayed the same _____

12. Assess the level of PIC interest/activity in the following areas for the past year and indicate if you anticipate a change in this level for PY 1984.

	Very Active	Moderately Active	Not Active
a. Administrative practices	_____	_____	_____
b. Planning Process	_____	_____	_____
c. Program Mix	_____	_____	_____
d. Program content	_____	_____	_____
e. Promotional activities	_____	_____	_____
f. Who gets served	_____	_____	_____
g. Contractor selection	_____	_____	_____
h. Labor Market Information	_____	_____	_____
i. Job Development	_____	_____	_____
j. Other _____	_____	_____	_____
k. _____	_____	_____	_____

13. Has the PIC established or approved employment competencies for youth to be used in meeting performance standards?

yes ____ no ____ in process ____

14. Have there been any significant changes in the PIC/LEO agreement?

yes ____ no ____ If yes, what? _____

_____

_____

_____

_____

_____

15. Has the SDA developed significant new linkages with the following agencies?

Employment Service _____

Welfare agency ____

Economic development ____

Secondary education ____

Postsecondary education ____

Vocational education ____

Vocational rehabilitation ____

Other _____

_____

16. Are there any institutional linkages that were in place but are being discontinued or substantially diminished?

Employment service _____

Welfare _____

Secondary education _____

Postsecondary education _____

Economic development _____

Vocational rehabilitation _____

Other _____

_____

17. Do community-based organizations play a significant role under JTPA with respect to:

_____ Planning	_____ Training
_____ Youth programming	_____ Dropout programming
_____ Outreach	_____ Job Placement
_____ Support Services	_____ Other _____

SDA _____
Analyst _____

18. Is the overall participation of community based organizations

growing _____ diminishing _____ staying the same _____

19. a. Has the 15% limitation on support services influenced the kind of participants JTPA gets?

____ Yes ____ No

b. If yes, how? Participants are

____ Better motivated

____ Better educated

____ Better off financially

____ Receiving welfare more often

____ Have fewer barriers to employment

____ Have better employment records

____ Other _____

c. Is this reducing the number of applicants?

significantly _____
moderatly _____
not noticeably _____

20. Indicate what kinds of activities are offered for adults and their duration. Please give approximations of the participant and dollar levels? (N.B. The presence of multi-component programs means that participant percentages may not add up to 100%.)

	Offered	Approx. Duration	Approx. % Parts.	Approx. % $
Remedial Ed.	_____	_____	_____	_____
Skills training	_____	_____	_____	_____
OJT	_____	_____	_____	_____
Direct placement	_____	_____	_____	_____
Job Clubs	_____	_____	_____	_____
Work Experience	_____	_____	_____	_____

21. Indicate what kinds of activities are offered for youth, their duration, and approximate participant and dollar levels?

	Offered	Duration	Number Parts.	$
Remedial Ed.				
Skills training				
OJT				
Direct placement				
Job Clubs				
Work Experience				
Try-out employment				

22. Compared to CETA, assess the change in relative use of the following training activities:

	Some Increase	Major Increase	Some Decrease	Major Decrease
Job Club				
Direct Placement				
OJT				
Skills Training				
Other _____				

23. Assess and describe the importance of the following factors in the SDA selection of training programs?

a. suitability for "most in need" population

Important _____
Moderatly important _____
Not important _____

b. Availability of job openings

Important _____
Moderatly important _____
Not important _____

c. Other _____

Important _____
Moderatly important _____
Not important _____

24. a. Please indicate the level of use of the following categories of service deliverers for the past program year:

	Major Contractor	Significant Contractor	Minor Contractor
Employment Service	____	____	____
JTPA training contractor	____	____	____
Private trade/technical school	____	____	____
Private Business	____	____	____
Community College	____	____	____
Jr. College	____	____	____
Public School	____	____	____
CBO	____	____	____
Other	____	____	____

b. Please indicate any significant changes in the use of service deliverers for the coming program year:

_____

_____

_____

_____

25. Has JTPA resulted in significant changes concerning:

_____Types of training
_____Duration
_____Ability to serve "most in need"
_____Special target groups
_____New linkages
_____Other

If yes, characterize: _____

_____

_____

_____

_____

26. Have State initiated policies resulted in significant changes concerning

_____Types of training
_____Duration
_____Ability to serve "most in need"
_____Special target groups
_____New linkages
_____Other

Describe: _____

_____

_____

_____

_____

27. a. Are there particular issues or areas in which you have sought and received to your satisfaction technical assistance?

____ Yes ____ No

If yes, specify: _____

_____

_____

b. Are there particular issues or areas where you have been unsuccessful in seeking technical assistance?

____ Yes ____ No If yes, specify: _____

_____

_____

_____

28. a. Has the state offered any financial incentives (such as RFPs, grants, or awards) to encourage targeting of difficult to serve groups?

____ Yes ____ No

APPENDIX C

TAKING CHARGE: A REPORT ON THE STATES' FIRST-YEAR EXPERIENCES UNDER JTPA

By

Ed Dement and R.C. Smith

Prepared for the

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

as part of the

INDEPENDENT SECTOR ASSESSMENT OF THE
JOB TRAINING PARTNERSHIP ACT

MDC, Inc.
Chapel Hill, North Carolina

August 1984

PREFACE

This report, based on findings from a 50-state telephone survey conducted in June 1984, is part of the ongoing Independent Sector Assessment of the Job Training Partnership Act -- a major two-year research-and-analysis effort launched in mid-1983 with support from the Ford, Rockefeller, and Mott Foundations and the National Commission for Employment Policy.

MDC, Inc. -- a private, nonprofit corporation concerned with employment policy research -- was responsible for survey design, analysis, and preparation of this report and was assisted in information-gathering by Grinker, Walker & Associates and KSR, Inc., also parties to the Independent Assessment Project.

The purpose of this document is to provide an overview and update on the states' experiences during the nine-month FY 1984 transition between CETA and the first full two-year program cycle under JTPA. It also has served as an information bridge between the Assessment Project's first major field report (released in April 1984) and the second-round field report.

The state telephone survey covered the following aspects of JTPA implementation:

- Interest and involvement of governors and state legislatures;
- State council activities, private sector involvement, and relations with local PICs;
- Program Year 1984 planning and program coordination;
- State/local relations and state technical assistance to SDAs;
- Use of JTPA discretionary grants to states;
- Management systems, reporting, and performance standards;
- Trends with respect to JTPA participants and services; and
- Successes, problems, and state/federal relations.

Because the survey was directed only to state JTPA administrators and not to SDAs or federal officials, responses sometimes reflect only a single point of view -- this despite the obvious efforts made by many respondents to place their comments in perspective by voluntarily offering local views and opinions along with their own.

MDC wishes to thank the state JTPA administrators whose cooperation was both indispensible and freely given. Responsibility for contents of this report rests solely with the authors, however; findings reported herein are not intended to represent the official positions or policies of the supporting funding agencies.

Ed Dement
R.C. Smith

MDC, Inc.
August 1984

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Executive Summary

This 50-state survey, conducted during the last 30 days of JTPA's initial nine-month program year, found overall start-up performance in most states and SDAs to be quite commendable: Based on reports through the end of March 1984, the 38 states able to provide comparable participant data had by that time already enrolled over 313,000 persons in various activities under JTPA Title II-A. Thus, better than 74 percent of all enrollments planned by those states for the abbreviated program year were realized during the first six months of JTPA operation -- this despite the relatively slow starts acknowledged by roughly one-fourth of those states.

Based on these and other statistics supplied by the states, however, it now appears that JTPA will serve approximately 25-30 percent fewer youth and adults in PY 1984 (the new 12-month program year just begun) than were enrolled in those states' CETA Title II-B programs alone in FY 1981. If those persons served under CETA's former youth, PSE, and private sector programs are included for purposes of comparison, JTPA enrollments in the current year will reach only about 40 percent of the CETA levels of four years ago. Despite earlier predictions that JTPA would provide as many work and training opportunities as CETA, it now appears that there has indeed been a major reduction in the availability of employment and training services nationally.

JTPA's early operational experience produced other interesting patterns with respect to enrollment and service priorities: Several

states specifically cited enrollment and retention problems stemming from lack of support and related services (especially for youth); and there was considerable evidence that JTPA is tilting towards the provision of low-cost, short-term, minimum-support activity for those eligible applicants best equipped to enter immediate employment. OJT and short-term classroom training are emerging as the predominant training vehicles, and there are indications that JTPA's current cost limitations and performance standards are forcing changes in service mix and client composition more often than they promote qualitative improvements leading to longer-term performance gains.

Half the states report SDAs having problems operating within the 15 percent administrative cost limits, and some expect the problem to worsen in PY 1984 in the absence of CETA carry-forward funds. Moreover, several states -- especially those with decentralized systems but relatively small funding bases -- were having difficulty staying within the 5 percent state administrative cost limits.

Overall, the states appeared to have taken their new JTPA responsibilities seriously, but their governors have demonstrated widely varying levels of interest and involvement. Although three-fourths of the nation's governors were found to have taken interest in one or more aspects of JTPA (most often in the areas of economic development, JTPA start-up, program coordination, or services to displaced workers), only 20 states reported having the sustained, personal involvement of incumbent governors in JTPA affairs. Of these,

no more than a dozen were credited with having significant impact on various aspects of state JTPA policy and program emphasis.

Increased legislative involvement was evident, with lawmakers seated on 44 of the 50 State Job Training Coordinating Councils (SJTCCs); thus far, however, the effects of that involvement are less readily apparent. JTPA administrators in 33 states reported no significant results from legislative involvement to date, while another 12 reported only modest impact from their legislatures. Nationally, we found five states where the results of legislative involvement were seen as significant.

SJTCCs are functioning in all 50 states, and most are meeting more often and reporting stronger participation of members than their predecessor state employment and training councils under CETA. Business participation at the state council level has increased significantly under JTPA, but a problem of growing concern is that of how best to maintain private sector interest and SJTCC involvement that has already begun to erode in at least ten states where business representatives have been unable to find substantive roles -- or have already grown weary of lengthy council meetings and bureaucratic requirements.

The states were virtually unanimous in reporting improved local planning for the two-year JTPA program period just begun, with most improvements attributed to having more time, broader experience, and better preparation by the states themselves. State officials have kept close watch on local planning this year and, while rarely rejecting any SDA's plans, have often requested changes and refinements before

granting approval. The qualitative gains in planning were not often matched, however, by progressive advances in the coordinative work begun last year: Thirty-three states reported no new elements of coordination this year; and, while 60 percent said they would expect to see more evidence of SDA adherence to state coordination policies this year, few believed that local performance with respect to state coordination criteria could be measured or enforced on any systematic basis.

Most states had encountered problems of varying significance with their SDAs, but the majority also termed their local relations as being either outstanding or acceptable -- and generally improving over time. Roughly half the states described assorted problems ranging from local resistance to state MIS systems to disagreements over administrative procedures, but nearly two-thirds cited improving working relations. Most states also reported significant efforts to assist SDAs: On average, the states had conducted ten workshops or training sessions apiece for their SDAs since October 1983, while 37 reported having formal systems for delivering ongoing assistance.

There is mounting evidence that JTPA's 10 percent set-aside for ES services is having positive effect: Fully three-fifths of the states reported significant changes in ES procedures, jurisdictional boundaries, or planning process; and ES/JTPA coordination is clearly improving over time. Nationally, the trend is away from exclusive use of 10 percent funds for basic ES staff support and towards more diverse uses for joint ES/JTPA planning, programming, and coordination purposes.

Little change was found with respect to utilization of JTPA's 8 percent education coordination grants: Most states (34) still rely on lead educational agencies for administration, while 14 states sent these funds directly to SDAs. Considerably greater change was evident, however, with respect to use of 6 percent funds for incentives and technical assistance. While most states had used 6 percent money to support JTPA start-up in FY 1984, a majority (36) plan to install some form of incentive bonus system this year, and 18 plan to use some of this money to encourage SDA services to special target groups. (Twenty-four said, however, that they still planned to use some 6 percent funds for technical assistance.) Thus, rather than wholesale movement to performance incentives alone, states are now splitting funds between performance, targeting, and assistance uses.

Generally, state fiscal management and MIS systems are now in place (49 and 47 states, respectively), and most are seen as functioning satisfactorily. Other systems were not up and running with great consistency, however: Problems were reported (or systems were not yet in place) with labor market information in 22 states, monitoring and evaluation in 19 states, and participant follow-up in 28 states. Inadequacies of state follow-up systems, in particular, may raise large questions for the future -- especially if the emphasis of federal performance standards shifts from current "proxy" measures (entered employment rates and costs per placement) to longer-term measures such as increased earnings and job retention. For now, performance standards present few problems for the states -- most report using the federal

standards adjusted according to DOL's regression model. More concern was expressed, however, over youth competencies -- with relatively little progress noted and only a few SDAs having yet approved them.

Commenting on relations between the states and federal officials, most respondents reported having fair-to-good relations with DOL's regional offices while expressing considerably less confidence in national office leadership. Of particular concern was the perception held by roughly 40 percent of the states that federal policymakers had taken no action to prepare JTPA audit guidelines and at times had not responded to routine requests for interpretation or clarification of JTPA statutes and administrative regulations.

States most often cited improved job placement rates, the evolution of new state roles, coordinative accomplishments, or simply the feat of getting JTPA off the ground on schedule as being among their greatest successes during the initial program year. At the same time, many voiced concerns about potential problems ahead: Topping the list was anxiety over federal audits and the lack of DOL audit guidelines, followed closely by residual concern over the perceived absence of DOL leadership. Finally, a third of the states (17) identified various funding worries including the 15 percent administrative cost limits, lack of overall JTPA funding, lack of support service funds, or inadequate resources for state staff support.

I. Governors and Legislatures: JTPA Interests and Extent of Involvement

When asked to identify their respective governors' major interests in JTPA since the Act took effect in October 1983, state administrators provided a broad range of responses: Heading the list of high-interest topics to governors was JTPA involvement with economic development (17 states), followed by various coordinative opportunities (14), JTPA start-up (10), and serving dislocated workers (10). Mentioned less frequently were private sector involvement (6 states), youth employment issues (5), JTPA's discretionary grants (4), SJTCC activities (3), and performance standards (2).

These responses suggest that governors have been generally more sensitive to the need to establish the JTPA program administratively -- and to focus first on the new linkage and coordination opportunities it provides -- while demonstrating relatively less concern for such specifics as private sector involvement, youth programming, and performance standards. Moreover, 28 percent of the governors were reported to have shown only a "general" interest in JTPA (6 states), interest in JTPA start-up only (4), or no significant interest in any aspect of JTPA implementation (4).

Commenting on the extent of gubernatorial involvement, respondents in 24 states said their governors were involved personally in JTPA decision-making and/or oversight, although this involvement was characterized as "minimal" in at least four cases. Governors in 26 states reportedly have no present personal involvement either in planning, policymaking, or JTPA deliberations at the state level. Thus it appeared that despite the numerous responsibilities JTPA places upon

states and governors, actual gubernatorial involvement in 30 states (or 60 percent of all cases) ranged from slight to nonexistent at the time of our survey. (This finding contrasts sharply with the results of MDC's June 1983 survey, when 35 states reported the active, high-level involvement of governors and/or members of their cabinets in early JTPA decision-making.)

As for the effects of gubernatorial involvement in JTPA to date, we found a dozen states (under 25 percent) in which incumbent governors had a demonstrable impact on JTPA plans, policies, and programs. In four states, effects were limited to single aspects of JTPA, such as state set-asides, dropout prevention, or consolidation of all state-level employment and training functions within a single agency. Altogether, we found eight states in which gubernatorial involvement was credited with having produced significant results on two or more fronts. Thus, perceptible active involvement of governors in a variety of JTPA-related initiatives was evident in less than 20 percent of the states; governors in another 20-25 percent of the states have shown sporadic interest, but far more often in particular areas of concern (such as school-to-work transition, displaced workers, or expanded use of OJT) than in JTPA itself.

Forty-four states reported legislative representation on their State Job Training Coordinating Councils, while six had no representatives.[1] Moreover, six of the 44 states having legislators on their

[1] In addition to Kentucky, North Carolina, and North and South Dakota (as recently reported by the National Conference of State Legislatures), our respondents said that legislators were also absent from SJTCCs in Mississippi and Vermont.

councils said there was essentially no involvement from their legislatures despite the council representation. Among the 38 states where lawmakers have taken greater interest in JTPA, 12 reported having legislative oversight committees (3 others expected to have them shortly), 11 reported passage of some type of JTPA-related legislation (3 more expected bills to be introduced soon), and ten reported some legislative financing of JTPA-related programs and services.

Although legislatures in roughly three-fourths of the states were involved in JTPA, state administrators rarely attached great significance to the results of that involvement. When asked to select the term that best described their legislature's influence upon JTPA plans, programs, and policies to date (the choices were "significant," "modest," or "inconsequential"), top JTPA administrators in 33 states chose "inconsequential." Another one-fourth (12 states) said legislative involvement had produced "modest" impact, while only five respondents characterized the results of legislative involvement as having been "significant."[2]

Despite recent national reports suggesting extensive state legislative involvement in JTPA, top JTPA administrators in two-thirds of the states still perceive the contributions of their legislatures as having been largely insignificant thus far. Several commented that in their view, legislative involvement centered primarily on the interests of some lawmakers in keeping tabs on programs in their home districts, or else on the potential for diverting JTPA funds to

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[2]These included Iowa and Minnesota, where substantial sums of state money have been appropriated, and California, Oregon, and Virginia, where bills have been passed and legislative roles in JTPA have been unusually strong.

supplement or supplant state expenditures for various new or existing programs. In most states, it appeared that legislative involvement in JTPA has yet to produce dramatic results. (In Texas, for example, the legislature enacted its own Job Training Partnership bill in June 1983 -- a bill which, among other things, created a joint House/Senate JTPA study committee. The 1984 session of the Texas legislature was preoccupied with education reform, however, and as of July the special JTPA oversight committee created a year earlier had conducted no meetings and developed no agenda.)

II. SJTCC Activities, Relations with PICs, and Effects of Increased Private Sector Involvement at the State Level

Over two-thirds of the State Job Training Coordinating Councils (35) responded to their myriad statutory duties by holding regularly scheduled meetings either on a monthly (18) or bimonthly (17) basis. Eleven councils followed quarterly meeting schedules, and two others presently conduct full meetings only semiannually.[3] This indicates a significantly higher level of state council activity under JTPA than most states experienced under CETA previously, but several states were finding it difficult to maintain the pace of monthly meetings and were considering cutting back to bimonthly schedules.

A majority of states (30) reported consistently strong attendance and participation by SJTCC members, with turnout for council meetings often estimated at 70-80 percent or better. All other states reported

[3]Since JTPA began in October 1983, 15 states reported seven or more SJTCC meetings, while another 19 states had held between four and six meetings each. Thirteen states had held three meetings or less, and Delaware alone had conducted only a single meeting of its full council.

"fair" attendance, and none recalled less than 50 percent council attendance except in isolated instances. Several did note, however, that business participation at the state level had dropped appreciably in recent months: Colorado, North Carolina, Texas, Oregon, Georgia, and others noted declining private sector council participation, but at least three states reported that business involvement on their state councils was still on the rise.

Overall, it appears that the trend thus far is towards fewer SJTCC meetings with most states now settling into a pattern of bimonthly meetings supplemented by subcommittee work as needed. A few states, however, are clearly worried about retaining private sector interest and involvement in council work.

Commenting on the primary work functions of their SJTCCs, 45 states cited plan review, 35 indicated policy development, 25 mentioned program oversight, and 24 listed evaluation. Coordinative activity was listed as a primary council role in 12 states, while five included all these categories as being among their councils' principal duties.[4] Other items mentioned were resolving administrative issues, providing communications exchange, and advising staff and SDAs on systems development. The important finding, however, is not what each SJTCC does so much as it is the fact that councils in most states appear to be taking their duties seriously, thus making important contributions to the overall JTPA effort. Altogether, we found no more than half a dozen states

[4] In a similar survey conducted a year earlier, state administrators had predicted that their councils would become most involved with program oversight (32), coordination (24), program planning (19), and policy development (17).

whose SJTCCs were said to be performing only ratification of staff decisions. In most cases, SJTCCs have shown the capacity to accept their statutory responsibilities and the ability to respond positively to special circumstances and specific issues arising in their states.

Thirty-two states reported formal mechanisms to bring local PIC concerns before their SJTCCs, while 14 had none.[5] Among the states with formal PIC/SJTCC communications channels, there was considerable diversity of approach: California, for example, assigns council members to attend local PIC meetings, while Illinois and Colorado have special SJTCC subcommittees to maintain PIC relations and Oregon conducts semi-annual forums to air PIC problems and concerns. (In several states, however, these "formal mechanisms" proved to be little more than the mere coincidence of naming SJTCC members who happened to reside in one or another SDA but who otherwise had no connection with the PICs in their home communities.) Of the 14 states reporting no formal communications links, most indicated that PIC members and SDA staff were welcome to attend SJTCC meetings, while others felt that adequate contact was maintained through the annual SDA plan review process. Massachusetts was clearly concerned over insufficient PIC interactions with its council, however, and hinted at impending council restructuring as a possible corrective measure.

Altogether, 33 states felt that increased private sector participation had made a notable difference in SJTCC deliberations in contrast to CETA's state councils -- most often producing increased emphasis on cost-effectiveness and performance. Sixteen states,

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[5] In the four remaining states, PIC and SJTCC functions are consolidated.

however, felt that increased private sector representation had made no difference in council actions and decisions.[6]

Twenty-two states said the extent of business involvement in SJTCC activities had remained constant during JTPA's first nine months, while 17 reported pronounced increases in state-level business involvement since JTPA began. However, ten states (Colorado, Georgia, Iowa, Maryland, Massachusetts, Michigan, North Carolina, Oregon, Texas, and Wisconsin) reported declines in private sector involvement during JTPA's first year. In almost every case, waning business interest was attributed to frustrations over the time-consuming nature of SJTCC deliberations, unmet expectations on the part of business appointees who discovered they had little control, and what was described variously as low tolerance for government procedural and technical requirements.

III. Program Planning and Coordination

The states almost unanimously reported improvement on the part of SDAs in planning for the first full two-year period of JTPA, beginning July 1, 1984. Forty-three states felt that planning at the SDA level this year was superior to that for the nine-month transition period from CETA.

State JTPA officials cited more experience and more time as being factors primarily responsible for improvements in specificity, detail, and comprehensiveness of local plans. "We're still not where we'd like to be," Indiana reported, "but progress has been made particularly in

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[6] Finally, one state reported only negative effects to date: There, distrust between private sector members and public staff had led to an uneasy partnership in which business representatives on the SJTCC were planning and meeting separately from state staff and public sector members.

the area of labor market needs analysis, plus a stronger assessment of what resources exist to close the gap between training and needs."

Several states pointed to the experience new Private Industry Council members had gained over the preceding nine months. Some noted that the states knew more what to ask of the SDAs, while others observed that the SDAs did a better job of following instructions in drawing their current plans.

The states generally reviewed SDA plans carefully, with an eye toward improvement. Only 12 states reported rejecting SDA plans as originally submitted and, of these, all but three had already resolved issues in dispute. However, a majority of states (36) had filed comments on one or more of the SDA plans sent up, either "encouraging change" as one put it, expressing preliminary disapproval, or (and this was more common) conferring conditional approval.

In the states' view, the planning process was improved at least in part by their own generally more stringent requirements. Twenty-six states reported that they had required more detail or specificity this time, while 16 said their requirements were the same as before. Two states said they had asked for less detail, and six single-SDA states felt these questions were not applicable.

The majority of states (33) responded that they had not imposed on SDAs any significant new elements of coordination criteria or goals and objectives for PY 1984. A high percentage of this group (62 percent) did say, however, that they were expecting more evidence of coordination from their SDAs, and several of the states responding positively cited specific coordinative efforts, including three linkages with state economic development initiatives.

Opinion was divided on the question of how well the SDAs have responded to requirements for goal-setting and coordination: Given the choice of "highly" or "somewhat" responsive or "generally unresponsive," a total of 23 states chose "somewhat" responsive. While none chose "generally unresponsive," comments accompanying their choices suggested continuing areas of stress between some states and SDAs -- generally the larger SDAs which, under CETA, had no direct responsibilities to the states. "Larger SDAs responsive under protest," one state administrator responded; "SDAs resist change, are suspicious of states," another said.

Of the 21 states answering this question with "highly responsive," several offered contrasting evidence. Nevada's response was typical: "The SDAs look upon JTPA as a means of relating to other agencies at the local and state levels; the SDAs understand, too, that related agencies have been given a mandate by the governor to cooperate with the SDAs, and vice-versa."

Most states (36) thought the goals that they had established were serving their intended purposes, but it was clear that only a minority of states considered these goals to be measurable or enforceable. (Fourteen states fell into this latter category.) "At a level of 'do you' or 'don't you,' we are able to monitor," one state administrator noted, "but we have not yet established benchmarks against which to measure degree."

IV. State/Local Relations

The risks of assessing state and local relations are compounded by the "relative" nature of the kinds of problems arising in JTPA.

When do problems between states and their SDAs become "significant"? This is a judgment call, at best: Field experience suggests that these problems are more likely to seem significant at the program level than at the administrative level, whether that administrative level be federal or state government.

With this in mind, the results of this survey suggest that a majority of states perceive that they have been dealing with (and continue to deal with) "significant" problems with their SDAs. At the same time, almost half the states (22) labeled relations with their SDAs as "excellent," while the remainder settled for "acceptable" (the third choice was "poor"). Furthermore, 31 of the states characterized state/local relationships as "improving."

While 24 states answered "yes" to the question of whether there are significant problem areas in state/local relations currently, five of those answering "no" also proceeded to describe problems that might easily be considered significant at the local level. In some cases, the problems described involved only scattered SDAs; in other cases, problems were more widespread and varied. Two states described problems arising from the reluctance of some SDAs to accept the states' computerized MIS systems in place of their own. Most respondents described one or another type of parochial conflict either from the states' perspective ("poor planning by the SDAs," and "SDAs reluctant to accept state in place of federal authority") or from that of the SDAs (describing unhappiness with eligibility verification requirements, allocations, or excessive paperwork demands).

But if problems remain and can be expected to remain now that the tension point has moved from "federal-state" to "state-local," there

was also evidence here and there that the improvement most states reported in these relationships was genuine. One state, for instance, described its strategy as "requiring as much change as possible" early on in the transition period and noted that "the worst is over now." In other states, SDA representatives confirmed that increased mutual respect was building.

There seemed to be no correlation between the number of training sessions held by the states for local PICs or SDAs since October 1, 1983, and the assessments those states gave as to the quality of state/local relationships. Overall, the states conducted an average of ten workshops each for their SDAs and PICs during this period. But while some states held as many as 20 or more, those offering numerous training sessions were as likely to describe "significant" problems as those who did not.

The kinds of problems dealt with in these training sessions were decidedly more technical than relational in nature. Fourteen states held training sessions on MIS systems, ten on youth competencies, seven on performance-based contracting, and six on Private Industry Council development. Other sessions ran the gamut of employment and training program components.

Technical assistance generally followed the same pattern: Thirty-seven of the states said that they had formal systems for delivering technical assistance (most of them through state staff), but some through employment and training institutes or through area coordinators appointed by the state for that purpose.

As to types of assistance being provided at the time of this survey, 11 states were offering technical help in the development of

youth competencies, five were providing assistance in establishing or tying into MIS systems, and others were delivering assistance that generally followed the patterns established in earlier training sessions. All but three of the states with more than one SDA cited one or more areas in which they were helping those SDAs. The three which did not were involved in assessments of SDA needs -- assessments which the states said would lead, in turn, to establishment of future assistance programs.

V. State Set-asides

JTPA's Title V amendments to the Wagner-Peyser Act already have begun to result in closer working ties between the Employment Service and JTPA. That is the highlight of a comparison of uses of state set-aside funds during the nine-month transition period and the current PY 1984 program year.

Fully 30 of the states responded that significant change had already occurred in ES operating procedures, planning process, or jurisdictional boundaries. Most of these states spoke of improved coordination and collaboration generally, but nine cited instances where ES boundaries have been made coterminous with JTPA's, eight where ES plans are either reviewed by or approved by PICs or SJTCCs, and three where ES offices were co-located with JTPA offices.

Collaboration is occurring in some instances as a result of JTPA "buy-ins" to the ES system. Asked how they planned to use their ten percent discretionary funds for PY 1984, 29 states said that they would use them either partially or entirely for "basic ES support." Twenty-two states -- among them some of those using portions of ten percent

funding for ES support -- also said they planned to use at least part of the money to reach special target groups.

A number of states have used special JTPA funds to counteract reductions in basic funding for ES. "This state was hard-hit by funding cutbacks. We needed all of our ten percent money to help ES maintain basic function," the State of Washington noted. And Mississippi also responded that it needed to "protect ES offices from failing."

Most of the states (26) said that they were not significantly changing the way they had used their ten percent funds during the nine-month transition period preceding PY 1984. However, descriptive commentary attached to responses to these questions emphasized a tendency of the states to reduce basic support for ES in PY 1984 in favor of other uses such as money for planning coordination between ES and JTPA.

The preponderance of states were planning to use their eight percent education set-aside money much as they had during the nine-month transition period. Thirty-two states said their use of these funds would be little different in PY 1984. These uses varied from classroom training and basic skills, to programs for offenders, to promoting adult literacy or training the handicapped, to "strengthening the ties between education and the SDA."

While the states used their eight percent monies variously, they were largely in agreement on the administration of it: Thirty-four states turned that administration over to their lead state educational agencies, and at least 14 of these agencies passed all or part of this money directly to SDAs. Other delivery agents at the local level are local educational agencies (17), community colleges or proprietary institutions (13), and a variety of other deliverers including

community-based organizations, vocational-technical institutes, and corrections agencies.

By far, the biggest turnabout came with respect to use of JTPA's six percent grants for incentives and technical assistance. While 36 states said that they had not used performance incentive bonuses at all during the nine-month period, the same number of states were planning to use such bonuses during PY 1984. Eighteen states -- many of which offered performance incentive bonuses -- were also planning to offer six percent funds to SDAs for serving selected segments of the eligible population.[7] Only two states tied service of selected segments to their performance incentive bonuses; instead, most states offered incentives for surpassing specific groups of performance standards.

Although the use of incentives is greatly increased this year, 24 states indicate that they will continue to use part of their six percent money for technical assistance, by far the most popular use of these funds during the nine-month transition. Thus the survey suggests a national trend toward splitting funds between performance incentives and targeting, on the one hand, and continuing technical assistance on the other.

VI. Management Systems, Reporting Requirements, and Performance Standards

A large majority of states reported that their management systems generally are in place and operating acceptably. A number of states, however, had identified problems with their labor market information

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[7] Among the selected segments singled out for service, offenders, adult welfare recipients, and veterans were mentioned more often than any other groups.

and their monitoring and evaluation systems. And the majority either had no capacity to follow the successes and failures of participants or else expressed dissatisfaction with their systems.

Fiscal management systems scored highest, with 49 states reporting them in place and 46 of these claiming that they were operating acceptably. Forty-seven states said their MIS systems were in place, with 42 of them operating satisfactorily. But while 47 states said their monitoring and evaluation systems were in place, 19 had identified problems with their labor market information systems. Only 23 states had follow-up systems in place, while 26 said they had nothing.

Various reasons were advanced for the unsatisfactory functions: Two states (california and Florida) reported that some SDAs refused to participate in their statewide MIS systems because the SDAs' own systems were more sophisticated. Adequate and useful labor market information was described by Idaho as "a national problem" and by South Dakota as "a dream." The most commonly offered reason for a failure to have one or another system in place was lack of adequate funds or staff (7 states). Two states admitted, however, that the follow-up function is not a current priority. And while fiscal systems rated high grades generally, Texas sounded a note of concern: "State staff report a 'gnawing fear' about the fiscal systems of some SDAs; don't know what they'll be held to at the local level."

Overall, the most widespread problem is lack of follow-up on participants. If performance standards are to progress beyond the present mode of "cost per placement" or "entered employment rate" -- and if they are to measure performance quality as well as quantity --

they can do so only with the kind of follow-up information that makes job tenure and earnings gains comparisons possible.

A large majority of states are asking SDAs to provide more reporting information than was required under CETA but are not asking for higher performance standards than are required under JTPA. Thirty-eight of the states said that their requirements for reporting are significantly higher than CETA's. Asked to describe the difference, 19 of them said more detail is being required generally, especially in collection of participant characteristics. Five states pointed to statewide MIS as a function not required by CETA. Four states each said that follow-up or financial reporting requirements were stiffer than in the past. Twenty-two states require monthly reports from their SDAs, and 20 call for reports on a quarterly basis.

Forty of the states reported that they anticipated no significant problems in meeting national performance standards. Iowa said, however, that its state SDA association had requested the formation of a study group to examine alternatives to the DOL national model. "They are nervous about the model," that state reported, "specifically, they are having trouble meeting youth and dropout enrollment levels."

Generally, the states (38) were using DOL's performance standards with the national regression methodology. Still, 17 states were requiring better performance from SDAs than had been required under CETA. Florida, for instance, was calling for performance based on cost of entered employment for youth this year and was planning next year for standards based on adult job retention rates. "Down the road," the state reported, "we'll be asking for reduction of the unemployment rate."

Altogether, 33 states had made provision for incorporating PIC-approved youth competencies into their performance standards, but the process of actually establishing these competencies was moving along much more slowly than this figure might indicate. In a number of states, only one or two PICs had approved youth competencies, while in others state task forces or study groups had been appointed to assist SDAs in establishing youth competency measures.

VII. Participants and Services

JTPA's start-up performance was impressive: Data from 38 states able to compare Title II-A enrollments through March 1984 (first six months) with planned levels for the full nine months show that after two quarters, those states had enrolled a combined 313,400 (or 74.2 percent) of their 422,300-person service goal for the first program year. Thus JTPA clearly "got off the ground" quickly in most states and SDAs, even though there were at least four states with enrollments at or below 50 percent of plan and roughly another half-dozen in the 55-60 percent range.[8] Where under-enrollment problems were noted, they often involved youth or others having relatively high support needs.

To put JTPA's service levels into context, we also asked the states to compare planned Title II-A enrollment for the current 12 months (PY 1984) with their actual CETA Title II-B enrollments for FY 1981. For the 30 states able to supply both figures, estimated JTPA II-A enrollments for 1984 will total 476,400, compared with 627,900 actual

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[8] Because administrative and jurisdictional changes were modest in many states, JTPA's start was more nearly a continuation of past CETA activity than a radical switch to new structures and delivery systems. Undoubtedly, "carryover" of former CETA clients also boosted JTPA's start-up enrollments in some states.

CETA II-B enrollments in 1981. (See table on page 19.) Thus CETA's mainline Title II-B programs reached approximately 32 percent more individuals in FY 1981 than JTPA's combined youth and adult programs under Title II-A will serve in PY 1984.[9] (If these 30 states are representative, there has been a major reduction in employment and training service levels nationally -- contrary to earlier predictions that JTPA would provide as many work and training opportunities as CETA, despite the overall funding cuts.)

Although service levels were reduced, 32 states said they had taken special steps to see that those deemed "most in need" of JTPA services were being reached. Half of these cited only modest efforts (such as asking SDAs to identify target groups and specify how they intended to serve them), but a number of states were clearly doing more: Colorado planned to award incentives based on services to five hard-to-reach groups, Georgia was establishing a challenge-grant program to match SDA funds targeted to the severely disadvantaged, and Oregon was monitoring to prevent "creaming." Several others were using direct appeals to SDAs, providing special data to SDAs concerning certain target groups, or tying performance standards to specific target groups.

In 18 states, however, there were no special measures to ensure that JTPA reached those most in need. "If they're eligible, they're in need" was one theme voiced by several states, while others relied largely on reviews of SDA performance versus stated goals, or on

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[9] If other CETA titles (such as IV-A youth programs, PSE under Titles II-D and VI, and PSIP under Title VII) were included in the comparison, JTPA would be reaching roughly 40 percent of the numbers CETA served four years earlier.

First- and Second-Year JTPA Enrollment Levels
and Comparison with CETA (FY 1981)
(Thousands of participants)

	Planned JTPA II-A Enrollments, FY '84 (9 months)	Actual JTPA II-A Enrollments through 3/31/84	Planned JTPA II-A Enrollments, PY '84 (12 months)	Actual CETA II-B Enrollments, FY '81	
ALABAMA	14.1	10.8	19.0	18.4	
ALASKA	1.1	0.4	1.3	1.7	
ARIZONA	—	—	—	—	
ARKANSAS	—	—	—	—	
CALIFORNIA	70.6	38.9	70.0	128.7	
COLORADO	—	—	—	—	
CONNECTICUT	5.8	3.3	8.2	6.0	(est.)
DELAWARE	—	—	—	—	
FLORIDA	25.0	17.8	32.0	19.8	
GEORGIA	11.6	6.9	—	—	
HAWAII	2.0	1.1	1.9	3.0	
IDAHO	2.5	2.1	3.4	4.5	
ILLINOIS	30.1	19.0	37.7	53.3	
INDIANA	15.3	9.9	22.4	22.4	
IOWA	8.3	4.7	8.2	9.8	
KANSAS	—	—	—	—	
KENTUCKY	16.7	13.6	—	—	
LOUISIANA	10.7	5.9	11.3	23.7	
MAINE	4.1	1.9	3.5	5.8	
MARYLAND	8.8	8.9	11.2	26.5	
MASSACHUSETTS	12.7	8.2	—	—	
MICHIGAN	—	—	45.7	52.4	
MINNESOTA	—	—	18.1	20.8	
MISSISSIPPI	8.3	5.8	-	—	
MISSOURI	13.5	9.9	18.0	20.5	
MONTANA	2.5	2.6	—	—	
NEBRASKA	—	—	—	—	
NEVADA	2.4	2.0	—	—	
NEW HAMPSHIRE	—	—	—	—	
NEW JERSEY	16.3	8.3	21.7	31.9	
NEW MEXICO	10.5	3.2	5.3	7.1	
NEW YORK	—	—	—	—	
NORTH CAROLINA	25.0	15.3	28.6	26.1	
NORTH DAKOTA	1.4	1.0	1.7	1.4	
OHIO	26.6	25.9	—	—	
OKLAHOMA	4.8	4.0	7.6	6.6	
OREGON	9.7	7.9	—	—	
PENNSYLVANIA	—	—	—	—	
RHODE ISLAND	1.8	1.3	2.4	4.9	
SOUTH CAROLINA	—	—	—	—	
SOUTH DAKOTA	2.2	1.4	3.7	2.3	
TENNESSEE	9.3	9.6	14.4	18.1	
TEXAS	22.0	16.0	38.7	44.4	
UTAH	5.1	4.1	4.3	4.8	
VERMONT	1.6	1.0	2.0	2.1	
VIRGINIA	5.0	10.4	—	—	
WASHINGTON	11.8	11.0	—	—	
WEST VIRGINIA	5.9	3.5	6.1	16.3	
WISCONSIN	13.1	15.2	26.2	23.8	
WYOMING	0.8	0.6	1.8	0.8	
Totals	422.3	313.4	476.4	627.9	

Note: Figures shown are those from states able to supply both planned and actual enrollments for FY '84 (N=38), or planned PY '84 and actual FY '81 enrollments (N=30), or all of the above. States providing only partial information were excluded to prevent bias in tabulating totals and percentages.

Actual FY '84 Enrollment through 3/31/84 as % of Total Planned for Nine Months:

74.2%

Planned JTPA II-A Enrollment in PY '84 as % of Actual CETA II-B Enrollment in FY '81:

75.9%

monitoring of local intake systems to see whether SDAs could identify those most in need.

Twelve states reported having hard data on services rendered to those considered "most in need," and respondents in 13 other states were comfortable venturing educated opinions about the characteristics of JTPA enrollees. Of this sample of 25 states, 17 felt that JTPA was serving more or less the same clientele as CETA, seven thought JTPA was reaching a less-disadvantaged population, and one viewed JTPA participants as being more severely disadvantaged than their CETA counterparts.[10]

Overall, the survey found that most states were aware of the "creaming" issue and were trying to confront it. Even so, most were not yet tracking performance to see who is and is not being served, and a minority hold the view that creaming is not a valid concern because "poor is poor, no matter what the individual's degree of poverty may be."

All but nine states identified one or more preferred target groups to receive JTPA services. In descending order of frequency, those mentioned included AFDC recipients (38 states), handicapped (28), out-of-school youth and dropouts (27), ex-offenders (22), in-school youth (14), older workers (11), displaced homemakers (6), and dislocated workers (3). Asked whether they were having significant difficulty serving any of these groups, 20 answered "yes": Of these, eight cited older workers, seven cited youth, four said AFDC recipients, and three

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[10] In that one instance, the difference was attributed to the state's near full-employment status, with only the severely disadvantaged still unemployed.

identified offenders. JTPA's lack of supportive services was given most often as the chief reason for the problems experienced.

Enrollment and Retention Problems

Altogether, 30 states were found to be experiencing problems either with under-enrollment, retention after enrollment, or both. Nineteen states indicated no significant problems, while one did not know because of MIS difficulties.

While 25 states reported under-enrollment problems, only eight attributed them wholly or in part to late program start-up, while at least 11 traced their difficulties to under-enrollment of youth -- specifically, to the problem of attracting low-income youth to programs offering little or no income support. In Delaware, the absence of youth income supports was exacerbated by new state contracting procedures, while in Utah JTPA administrators were exasperated over being unable to meet the Act's 40 percent youth service requirement while at the same time having to turn down adult applicants on account of that requirement.

Only seven states reported having retention problems, and two of them noted that these were confined to those SDAs that had experienced similar difficulties under CETA. Maine, North Carolina, Michigan, Rhode Island, and Virginia, however, reported more widespread problems stemming from lack of support after enrollment, especially for younger youth. North Carolina's dropout rates were double those under CETA, with biggest losses occurring after 2-4 weeks and being especially prevalent in classroom training programs. "There's not enough support here to maintain people either psychologically or economically," the state's top JTPA administrator concluded. (Interestingly, the

respondent in one state which had substantially exceeded its enrollment and placement goals attributed that success to initial creaming of applicants and heavy reliance on direct placement activity.)

Program Service Trends

Altogether, 28 states said JTPA services would remain structured more or less the same in PY 1984 as in the nine-month transition year, while 21 states anticipated significant changes in program mix for the year just begun.

Among the 21 states expecting significant changes, 16 predicted much greater reliance upon on-the-job training. (Michigan voiced the sentiments of others in noting that "OJT is the only training that can meet performance standards.") Four states planned greater emphasis on youth programs, one reported increased job club programming, and one expected increased classroom training activity. Four states foresaw less classroom training, however; two reported less reliance on job club/job search efforts; and one reported decreased usage of OJT -- this largely the result of overly optimistic OJT projections for the nine-month year.

As for overall trends since CETA's final year, 23 states reported a trend towards more OJT, seven reported more customized training and/or classroom activity, two said they were seeing less classroom training, and 16 said there had been no discernible trends. The states themselves had rarely attempted to influence program mix at the local level; nationally, nine reported effort in this regard and, of these, four had used only what they described as "broad powers of persuasion," while others reported using more direct influence upon SDAs.

Twenty-one states said they were seeing continued declines in participant support services at the local level; seven states thought it was on the increase, 12 reported no change, three reported mixed local variations, and seven others had no information. Levels of support to JTPA participants were dropping below the 15 percent spending cap in several states, and Oregon reported only four percent of total JTPA expenditures in that category.

Twenty-three states commented that the duration-of-enrollment trend under JTPA was unmistakably in the direction of shorter-term training, 15 felt duration was roughly the same as under CETA, and five reported longer periods of training. (Two states cited variable local conditions, while the remaining five had no information.) Oregon, for example, reported an average enrollment duration of eight weeks for adults and seven for youth, while average length of enrollment in neighboring Washington was under six weeks for both youth and adults.

These findings tend to confirm evidence in the March 1984 study, An Independent Sector Assessment of JTPA, concerning JTPA's impact on program service mix, duration, and levels of participant support: The new employment and training system is tilting towards heavier reliance on OJT, with participant selection decisions increasingly controlled by employers; support services are lower and in some cases still declining; and training duration is appreciably shorter in a number of states.

VIII. Concluding Questions

Finally, we asked states several questions concerning administrative costs, state/federal relations, and major accomplishments as well as emerging problems.

Respondents were evenly divided concerning JTPA's 15 percent administrative cost cap; 25 reported significant problems, while 25 reported none. Those already experiencing trouble generally felt that PY 1984 would only see the problem worsen because no CETA carryforward "cushion" would be available this time. Difficulties were particularly apparent in states with large rural areas (Arizona, Idaho, Nebraska, and Nevada, among others) because they often cannot attain the economies possible in more compact states. And several states said their SDAs' actual first-year administrative costs had been nearer 20 percent than the 15 percent level allowed: North Carolina reported local administrative costs running at roughly 20 percent, South Carolina at 19 percent, with Virginia's SDAs ranging from 15-23 percent.

The 15 percent administrative cost limits were also producing programmatic changes in some states; CBOs were unable to compete for JTPA contracts in Arizona, for example, and one Maryland SDA had to change administrative entities in order to stay within the allowable cost limits. The beneficiaries of change generally seemed to be "subsidized" agencies such as community colleges and other public entities better able to absorb JTPA's true administrative costs elsewhere.

Several states claimed that the five percent set-aside for state administrative costs was also insufficient. This problem seemed particularly acute in several smaller states operating decentralized systems (as in Nebraska, Oklahoma, Hawaii, and Connecticut); statewide SDAs were generally unaffected, however, because they could "borrow" administrative support from other JTPA grant sources.

State/Federal Relations

Asked to comment on current relations with the federal Department of Labor, 38 of 41 responding states indicated that relations with DOL's regional offices were either "good" (25) or "fair" (13), while three states said relations were "awkward," "nonproductive," and "nonresponsive-to-terrible," respectively.[11]

While most states rated relations with their regional offices as fair-to-good, it was also clear from respondents' comments that those relationships were often weak. "Relations with our regional office are fine," said one state administrator, "but the 'fed reps' have almost admitted to having their hands tied. They have no role, and the state never gets anything back from the national office of DOL." Several states did elaborate on positive, constructive interactions with various DOL officials, however: California said its "fed rep" attends all significant meetings at the state level; the regional office serving Nevada had loaned that state an experienced planner during the transition; Pennsylvania reported "an ongoing dialogue" at the regional level and praised its region for allowing the states to run their own programs; and both Texas and Virginia reported positive relations with DOL's national office, largely because of those states' representation on the Labor Department's JTPA Directors' Roundtable.

Thirty-three states felt that DOL had been generally responsive to requests for assistance, while 20 felt it had not. (Six states answered both "yes" and "no," stating that their regions had been

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[11] At least two of those responding positively, however, were clearly doing so with tongue in cheek, as in one state where the response was "good....that means nonexistent."

responsive while the national office had not.) Eighteen states cited a variety of areas in which they currently needed DOL assistance or else had requested assistance without getting results. Eight states expressed the need for continued help and involvement from their regional offices, timely interpretations and clarification of the Act or DOL regulations, or help in defining cost categories. Four states specifically mentioned the need for DOL audit guides and/or help in devising audit procedures. Three wanted help in defining administrative costs, while others cited such diverse items as youth tryout employment, financial policies and procedures, coordination of ES and UI, computer programming/MIS, and the need for more DOL technical assistance funds. Finally, two states criticized the absence of standard DOL reporting requirements.

Eleven states said they needed no help of any type from DOL, while 21 others furnished no response to the question. There is measurably less state dependency on DOL as a source of help and advice than in the past.

Successes and Potential Problems

Nine states cited job placement performance as their most outstanding JTPA accomplishment to date. Alabama, for example, reported a 90 percent placement rate, Oregon 80 percent, and Pennsylvania and Illinois 75 percent each. In these states and others, JTPA -- as measured by job placement rates -- is dramatically successful.

Ten states cited the evolution of a substantive state role and/or successes in establishing productive state/local relations as being their principal accomplishments to date, while seven others mentioned

JTPA coordinative achievements, especially in the area of economic development linkages. Six states felt their greatest accomplishment was to implement JTPA on schedule, while five others noted success in attracting private sector involvement. Four states (West Virginia, Mississippi, Michigan, and Missouri) felt their best work had come in connection with their Title III dislocated workers' programs, while the remainder cited diverse accomplishments ranging from heightened gubernatorial interest in Texas to increased flexibility in South Carolina and stronger youth programming in North Dakota.

Overall, JTPA is viewed by its state administrators as succeeding in a variety of ways. Asked about the most outstanding achievements of their SJTCCs, however, respondents were generally less enthusiastic. Twelve cited coordinative accomplishments by their councils; ten felt SJTCC leadership had been outstanding; eight cited such specifics as development of policy papers, adoption of performance standards, or handling of discretionary set-asides; six pointed to increased business involvement; and three felt that SJTCCs were simply "better all around" than state CETA councils. Eleven states, however, said their councils had either done little or failed to produce significant results thus far.

The states identified a host of subjects as major problems confronting JTPA at present: Audits, audit guidelines (or lack thereof), and fear of DOL's Office of the Inspector General headed the lists of problems in 11 states, followed closely by complaints over lack of DOL leadership (9 states). The third leading area of concern was lack of administrative funding (i.e., the 15 percent limit),

identified by eight states.[12] Other potential problems included maintaining private sector involvement (6 states), state/local relations (6), performance standards and incentives (5), the 40 percent youth spending requirement (5), serving those most in need (4), and problems related to administration of JTPA's discretionary grants (3). Only three states (California, Oklahoma, and West Virginia) said that they foresaw no major problems ahead.

Overall, it appears that states are concerned about a multiplicity of existing or potential problems and that many of them are further troubled by what they perceive as a lack of assistance in addressing those problems.

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[12] Altogether, 17 different states cited various inadequacies of JTPA funding as being among their chief concerns. In addition to the eight states worried about the 15 percent administrative cap, five cited overall lack of JTPA funds, five others identified lack of money for participant support, and two reported major problems with their five percent state administrative costs.

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